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World Bank president surveys a changed world
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FINANCIAL TIMES

Monday April 27 1992 EUROPE'S BUSINESS NEWSPAPER D 8523A

Car prices vary by more than 40% within the EC

Car prices in the European Community differ substantially and by more than 40 per cent in the most extreme cases, a study prepared for the European Commission shows.

However, the Commission is divided about the causes of the price disparities and what should be done to bring prices into line. Page 14

Russia setback: Early Russian membership of the International Finance Corp, the World Bank affiliate charged with promoting private-sector investment, has been thrown into doubt by problems in the US administration. Page 4

Stores hit: Japan's department stores saw profits fall sharply last year as business conditions turned sour following a period of expansion that left companies with high depreciation expenses. Page 17

Cabinet choice: President Lech Walesa of Poland signalled that he is intent on installing a cabinet of his own choosing and broadening his executive powers. Page 2

Goodyear Tire & Rubber, the sole surviving big US tyre-maker, reported strong first quarter results, with net income at $66.3m against a loss of $90.1m a year earlier. Page 17

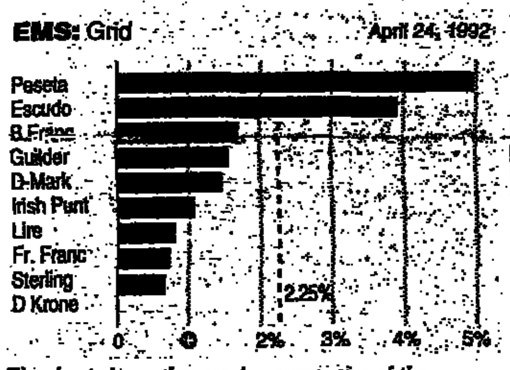
Trade hope: US and European Community negotiators are to intensify efforts to reach a compromise on farm trade liberalisation. Page 4

Asylum in UK: The number of people applying for political asylum in Britain has dropped by more than half this year as tougher Home Office screening controls have begun to bite. Page 14

Swiss Bank Corporation said its after-tax operating income "did not quite match 1991's excellent first quarter performance". Page 17

Arab aim: Arab delegates to Middle East peace talks, which resume today, look set to focus more specifically on UN resolutions requiring Israel's withdrawal from occupied Arab land. Page 4

European Monetary System: Sterling managed a brief foray above the French franc in the ERM grid for the first time since October, 1990. By Friday, however, good trade figures out of France found the pound back in the penultimate position. The D-Mark strengthened slightly as the market grew more confident about firm German rates. Currencies, Page 27



The chart shows the member currencies of the exchange rate mechanism measured against the weakest currency in the EMS's narrow 2.25 per cent fluctuation band. In practice, currencies in the EMS narrow band cannot rise more than 2.25 per cent from the weakest currency in that part of the system. Sterling, the Spanish peseta and the Portuguese escudo operate with 6 per cent fluctuation bands.

Poll boost: Rudolf Streicher won the first round in Austria's presidential elections, confirming his status as front-runner to succeed President Kurt Waldheim. Page 2

Groupe Bull, French state-owned computer maker, announced 1,100 fresh job losses to sharpen its competitiveness in the recession-hit computer industry. Page 17

Earthquake: An earthquake and two powerful aftershocks which jolted northern California at the weekend caused damage estimated at $10m, destroyed scores of homes and buildings, injured 70 people and left five missing.

UK politics: Senior figures in the UK Labour party will seek to impose some order on the elements of farce in its leadership contest by insisting at today's meeting of Labour MPs that there will be no immediate change to the rules. MPs face many voices in vote for Speaker, Page 6

Axa, second-largest French insurance group, is launching direct sales of motor insurance, a move which could have significant consequences for France's insurance market. Page 15

Women workers: British companies are starting to set targets for the number of women being hired and promoted within their organisations. Page 7; Opportunity not to be missed, Page 10

Budget cuts: Sweden's government promised SKr30bn ($1.6bn) spending cuts over three years to reduce a budget deficit forecast to reach SKr101.8bn in the 1992-93 tax year. Page 2

Dirty power: Drax, a coal-fired power station in northern England owned by the privatised generator National Power was branded as the "biggest polluter in Europe". Page 7

Losses: Japan's city, long-term credit and trust banks have announced a total of Y1,297.3bn ($9.6bn) in portfolio valuation losses from the decline of the Tokyo stock market. Page 15

Nine die: Nine motorcyclists, in Le Mans in France to watch the 24-Hour motorcycle race, were killed late on Saturday in three [illegible] of accidents which all took place outside the competition.

Leeds take title: Leeds United won the English league football championship for the first time since 1974.

Cossiga departure plunges Italy into fresh crisis

By Haig Simonian in Milan

ITALY'S political system has been thrown into disarray following the resignation of Mr Francesco Cossiga as president.

Mr Cossiga's decision to step down, announced on nationwide television on Saturday evening, increases the political uncertainties following the April 5 general election, which delivered a sharp rebuff to the established parties and further fragmented the already complex party system.

The timing of Mr Cossiga's move now leaves the country in a political limbo, as the president would normally have been expected to nominate a premier to assemble a new government.

Hence the first task for Mr Cossiga's successor, who must be elected within 15 days by members of the upper and lower houses of parliament as well as regional representatives, will be to pick a prime minister.

The choice has become particularly complex in view of the fact that the previous four-party coalition led Mr Giulio Andreotti, who resigned on Friday, will probably need the support of at least one other party to ensure a stable majority in parliament.

Mr Cossiga said he had decided to resign just over two months before his term formally expires in July because Italy now needed a strong president to ensure the formation of a "strong and authoritative" government. Although the powers of the head of state are strictly limited under the constitution, the president has the right to nominate the premier and dissolve parliament.

Mr Cossiga, in an emotional 45-minute address to the nation, presented himself as a lonely figure trying to force change on an ossified political establishment, which had already shown itself unwilling to read the signals for reform from the elections.

The difficulty politicians faced in electing new leaders for the Senate and Chamber of Deputies, when members of the new parliament met in Rome for the first time last week, illustrated how hard finding a political majority has now become. Leaders for the upper and lower houses were only elected after numerous rounds of voting over two days.

The election, registering heavy falls for the main parties and an upsurge for fringe groupings, was widely interpreted as a pressing call for reform.

Mr Cossiga, who had threatened to resign more than once in recent months, may have been finally swayed by the election on Friday of Mr Oscar Luigi Scalfaro as leader of the Chamber of Deputies and Mr Giovanni Spadolini as leader of the Senate. Both men had opposed Mr Cossiga's calls for a stronger presidency, while Mr Scalfaro, a veteran figure in the Christian Democrat party to which Mr Cossiga formerly belonged, had been engaged in public clashes with the increasingly embittered president.

"The crisis requires a president at the height of his powers," said Mr Cossiga. He underlined the single European market, the crisis in state finances, the need for economic recovery and the fight against organised crime as the four main challenges facing a new government.

However, in a series of sharp attacks on the political establishment and the Christian Democrats in particular, he emphasised that only a new president would command the political strength and respect needed to convince politicians that change was necessary.

Cossiga may yet return, Page 2

G7 nations divided on right route to growth

By Peter Norman, Economics Correspondent, in Washington

THE WORLD'S leading industrial countries welcomed Russia and the other former Soviet republics into the fold of market economies yesterday but continued to show signs of internal dissent over how best to foster world economic growth.

Japan indicated it would resist US calls for increased public spending and lower interest rates.

Mr Theo Waigel, German finance minister, said he was "not going to be put in the dock" because of Germany's high public borrowing requirement following unification.

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- Russia faces a delay in *membership of IFC*
- Old foes resume the bickering

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- Interview with Lewis Preston, World Bank president

He rejected US claims that Germany's overall fiscal deficit was as high as 6 per cent of gross domestic product and insisted that there would be a moratorium on the level of state spending until the mid-1990s.

Hopes of an early cut in German interest rates were dashed yesterday when Mr Helmut Schlesinger, the Bundesbank president, told the meeting of the Group of Seven countries that the bank had no room to lower rates in view of the rapid growth in Germany's monetary aggregates and inflationary pressure on the wages front.

However, he said Germany saw no reason to raise rates or tighten monetary policy.

Several countries, including Britain, have backed the US argument that Germany's high deficits lie behind the Bundesbank's high interest rates and so have exported slow growth and unemployment to Europe and the rest of the world.

The G7 meeting gave the green light to a $6bn rouble stabilisation fund for Russia welcoming it and the other former Soviet republics into the International Monetary Fund.

The meeting was joined by Mr Yegor Gaidar, Russia's first deputy prime minister, yesterday afternoon. It heard details of Russia's economic reform and stabilisation plans, including a forecast from Mr Gaidar that Russia would reduce its fiscal deficit to 5 per cent of gross domestic product in the first half of this year from around 20 per cent last year.

The G7 – comprising the US, Japan, Germany, France, Britain, Italy and Canada – recommended that an emergency IMF financing facility, known as the General Arrangements to Borrow, should be activated to give the IMF the financial backing needed for the stabilisation fund.

It is expected that another club of industrial countries – the Group of 10 – will activate the GAB today so that the IMF can

Continued on Page 14

A mujahideen gunman fires at advancing Hezb-i-Islam forces during clashes between rival guerrilla groups in Kabul

Battle rages for control of Kabul

By David Housego in Kabul

KABUL echoed last night to the sound of automatic weapons and artillery fire as fierce fighting continued between rival Islamic guerrilla groups for control of the Afghan capital.

Clashes erupted between forces loyal to Ahmed Shah Masood, the Jamiat-i-Islami commander, and Gulbuddin Hekmatyar's Hezb-e-Islam forces after Kabul fell to mujahideen fighters on Saturday.

Fighting intensified after dark with continual artillery and automatic weapons fire and heavy explosions rocking the city.

A Jamiat commander in the area of the Bala Hissar (old fort) said between 20 and 30 people had been killed there. The overall death toll, however, was expected to be much higher.

There was no telling last night whether Afghanistan would be plunged into a fresh civil war after the end of the 13-year conflict between the Islamic guerrillas and the communist regime.

Celebrations over a mujahideen victory turned to bloodshed as Pushtun nationalists and Hezb guerrillas showed their determination to resist domination of Kabul by non-Pushtun forces loyal to Mr Masood.

Mr Masood was appointed head of a six-man security committee by mujahideen leaders in Peshawar on Saturday and given orders to secure the city. Three of the other members were from his Jamiat party while two prominent Pushtuns were also included.

Pakistan yesterday supported the new ruling council. The Foreign Ministry said it hoped the full 51-man council would leave for Kabul shortly.

Support by an overwhelming majority of the guerrilla groups as well as the United Nations had given legitimacy to the council, the ministry said.

Mr Hekmatyar sparked the fighting on Saturday by ordering his men into Kabul after rejecting the council and the plan for the transfer of power.

Last night Hezb forces controlled key pockets of Kabul, including the Ministry of the Interior. Their anti-aircraft weapons fired on transport aircraft flying in reinforcements for Mr Masood and they controlled territory to the south of Kabul.

Jamiat vehicles manned by heavily armed guerrillas patrolled the tense and deserted streets of the capital. Young men nervously guarded checkpoints.

General Nabi Azimi, former head of the Kabul garrison who has been co-operating with Mr Masood, called on the security forces to obey him. But two other Pushtun nationalist generals – General Mohammad Rafi and General Watangarn, the former minister of defence – were siding with the Hekmatyar forces in the interior ministry.

On Saturday in what had seemed to be a remarkably peaceful transition, the former government's armed forces had yielded power to the mujahideen who had slipped into the city in large numbers.

However, the situation deteriorated overnight as Mr Masood flew in by helicopter accompanied by Antonov transport aircraft reinforcements. To protect them, Sukhoi fighter-bombers struck at Hezb anti-aircraft positions close to the city.

Further reports and analysis, Page 3
Masood profile, Page 14

German public sector strikes expected to bring chaos today

By Quentin Peel in Bonn

Spain faces strikes ....Page 2

TRAINS and buses, post, refuse disposal, and a string of other public services are expected to be severely disrupted in western Germany from today after all the public sector unions voted in favour of strike action.

It is the country's first full-scale public sector strike for 18 years. Railway employees, hospital administration and school services, as well as bus and tram-drivers and white-collar workers, are all involved.

The action amounts to a trial of strength between the trade unions and both central government and the local authorities in the latest annual wage round.

Pay negotiations between the employers and the construction workers' union, IG Bau, broke down on Saturday, and IG Metall, representing the country's 4m engineering workers, has already called for "massive warning strikes" this week in support of its own wage claims.

The unrest could affect the entire German economy at a time when it is already labouring under the burden of paying for unification with the east.

There was a hint of a desire for compromise last night when Mrs Heide Simonis, Social Democrat (SPD) finance minister of Schleswig-Holstein and a key member of the employers' side in the public sector negotiations, proposed a pay deal increasing the lowest wages by more than the 4.8 per cent currently on offer.

Mr Björn Engholm, the SPD leader, called for an urgent resumption of negotiations, and a new government offer. However, thus far the government, represented by Mr Rudolf Seiters, the interior minister, has refused to improve on 4.8 per cent, compared with an arbitration panel proposal of 5.4 per cent, and a union demand of 9.5 per cent.

Mrs Monika Wulf-Mathies, leader of the OeTV public sector union, said the unions would "prove very quickly that without the public services, nothing runs at all." The OeTV is reported to have a strike fund of DM600m. "We can keep going," she said.

Postal workers started strike action last Friday, and over the weekend public theatres and concert halls across the country were also closed. Train safety inspectors were expected to walk out last night, halting express trains by midday today. In Frankfurt, about 300 telephone employees joined the strike. Disruption of buses is expected today.

The Kiel canal, the busiest artificial waterway in the world, was effectively closed last night when some 100 lock-keepers joined the strike. The canal links the North Sea to the Baltic, and is used by up to 150 vessels each day.

Eastern Germany is not supposed to be affected, because wage negotiations are still separately conducted.

Austria	Sch30	Hungary	Ft162	Malta	Lm0.50	S.Arabia	SR9.00
Bahrain	Din1.000	Iceland	IKr180	Morocco	MDh11	Singapore	S$4.10
Belgium	BFr60	India	Rs20	Neth	Fl 3.50	Spain	Pta200
Cyprus	C£1.00	Indonesia	Rp3900	Nigeria	Naira20	Sweden	SKr14
Czech	Kcs35	Israel	Shk5.50	Norway	NKr15.00	Switz	SFr3.00
Denmark	DKr14	Italy	L2500	Oman	OR1.20	Thailand	Bht50
Egypt	E£4.00	Jordan	JD1.20	Pakistan	Rs35	Tunisia	Din1.000
Finland	FM10	Korea	Won 2500	Philippines	Pso45	Turkey	L6000
France	FFr8.00	Kuwait	Fils.500	Poland	Zl 18,000	UAE	Dh9.00
Germany	DM3.30	Lebanon	L£1,250	Portugal	Es190		
Greece	Dr250	Lux	LFr60	Qatar	QR10.00		

CONTENTS

Walesa seeking more power to form cabinet

By Christopher Bobinski in Warsaw

PRESIDENT Lech Walesa of Poland signalled yesterday he is intent on installing a cabinet of his own choosing and broadening his executive powers. This would mean dropping the centre-right minority government headed by Mr Jan Olszewski.

The president said on the main evening TV news yesterday that he needed "the means to act effectively" and that he was now convinced the country had to have a "cabinet of professionals which transcended party divisions".

He added this would mean "greater powers for the president" in a new system modelled on the French constitution, "where the prime minister answers to the president".

Mr Walesa, who was elected president at the end of 1990, is looking to rising discontent in the country to propel his drive to dominate the executive and parliament.

However, he will need a majority in parliament to make the necessary constitutional changes. This might be difficult as MPs, divided among 10 or so groups, may well unite to resist Mr Walesa's demands.

Poland's consitution has the prime minister and his cabinet answering to parliament, with the president merely responsible for nominating the premier. The head of state has overall responsibility for defence, internal security and foreign affairs, but their day-to-day running is in the hands of ministers.

Mr Olszewski is having difficulty pushing austere budget measures through parliament. He has also shown that he intends to defy the president in a dispute over Mr Jan Parys, defence minister. Mr Walesa demanded last month that he be replaced after the minister had made a series of changes among senior military officers against the president's wishes.

Mr Walesa is due to meet today shop-floor workers in a bid to win support for his new tough line.

Silent Cossiga may yet come back from the dead

It is too soon to write the colourful ex-president's political obituary, writes **Haig Simonian**

IT WAS an uncharacteristically taciturn Mr Francesco Cossiga whom avid Roman journalists tailed through the city yesterday from Mass at 7am to lunch and beyond.

Less than 24 hours after announcing his resignation to more than 5m television viewers, the Italian president maintained a silence more typical of his Sardinian origins than his past two years as president. He has become better known for his off-the-cuff remarks, often about his party colleagues and usually bathed in vitriol.

But it is too soon to write Mr Cossiga's political obituary. Having plunged Italy into a political crisis unparalleled even by its rumbustious standards, Mr Cossiga may still see himself as a potential saviour for a country without a president, premier or government.

For among the list of potential candidates for his post, which includes Mr Giulio Andreotti, the outgoing premier, and Mr Bettino Craxi, the Socialist leader, is probably Mr Cossiga himself.

In his resignation speech, he made much of the need for a strong, newly-elected president, who would have the political and moral authority to knock heads together among party leaders, whom he accused of failing to recognise voters' call for change at the polls on April 5.

Mr Cossiga's harsh political barbs have brought him few friends in political circles, particularly among the Christian Democrats, his former party, but his comments command wide public support. He has cast himself as the mouthpiece for Italians frustrated with a party political establishment which seems more intent on settling old scores than solving the country's problems. Yet Mr Cossiga has often been as much the culprit as others.

His resignation speech was full of the emotional touches which have characterised many of his recent outbursts. He presented himself in the now familiar role of a lone fighter against an all-powerful political establishment.

For all its high principles, Mr Cossiga's departure just over two months before his term expired also bore all the marks of the bitter – and sometimes petty – personal antagonisms that have marked his last two years in office.

The Christian Democrats, still Italy's biggest political grouping, were his prime target. Mr Cossiga has been deeply angered by the party's unwillingess to bow to his wish for some new form of parliamentary order, in which he might play a guiding role.

Romania's former King Michael waves to a crowd of more than 100,000 people yesterday as he emerges from a service to celebrate Orthodox Easter at St George's church in Bucharest. It was his first visit to the capital since 1947

Romanians give ecstatic welcome to former king

THOUSANDS of Romanians filled the streets of Bucharest yesterday to welcome back their former king, Michael of Hohenzollern, who was visiting the capital for the first time since 1947, writes Virginia Marsh in Bucharest.

Police struggled to keep back good-natured crowds who had gathered since early morning around St George's church in the city centre, where the former king, aged 70, celebrated the Orthodox Easter with members of his family.

Ex-king Michael declined to make political statements to the crowd, which at one point reached an estimated 100,000. He stood on the church balcony and exchanged traditional Easter greetings with his supporters.

Although the crowd gave him an ecstatic welcome, many had mixed feelings as to whether the monarchy should be reinstated in Romania.

The country's royalist party, the Liberal Monarchists, have no parliamentary representation. However, some opposition parties whose 14-party coalition attracted strong support in local elections in February, have said they will hold a referendum on the issue, if successful in general elections due this summer.

Streicher short of clear majority in Austrian poll

By Eric Frey in Vienna

MR Rudolf Streicher won the first round in Austria's presidential election yesterday, confirming his status as front-runner to succeed President Kurt Waldheim.

But Mr Streicher, transport minister and the Social Democratic party's candidate, failed to win a clear majority and will face the runner-up, Mr Thomas Klestil of the conservative People's party, in a run-off on May 24.

With 98 per cent of the votes counted, Mr Streicher led Mr Klestil with 40.8 per cent to 37.1 per cent.

Mrs Heide Schmidt, the candidate of the right-wing Freedom party, polled 16.4 per cent, and Mr Robert Jungk of the Green party received 5.7 per cent.

Mr Klestil, a career diplomat, did far better – and Mr Streicher worse – than the performance of their respective parties in the last parliamentary elections in 1990.

With the voting pattern of the supporters of Mrs Schmidt and Mr Jungk difficult to predict, the outcome of the second round is wide open.

Mr Waldheim's election campaign in 1986 was marred by allegations that he lied about his war-time record, and he has been treated as a pariah by the western world throughout his six-year term.

Although the Austrian president is mostly a figurehead with limited political powers, Mr Waldheim's inability to travel to the US and most other western countries has damaged Austria's standing.

● Mr Hannes Androsch, Austrian former finance minister and former chairman of the Creditanstalt Bank, is arranging a package of loans to finance the completion of the controversial Gabcikovo hydro-electric dam in Slovakia.

Mr Androsch, who now heads Androsch International Management Consulting (AIM), said he was confident the project on the Danube would go on line at the end of the year.

Czechoslovakia has already completed two thirds of Gabcikovo for a cost of Kcs24bn ($827m). Completion of the dam requires about Kcs12bn, of which AIM is planning to raise about Kcs4bn from western banks and other private sources. The remainder will be provided by the Slovak government, Mr Androsch said. The foreign loans were expected to have a three-year maturity.

The dam has been denounced for its possible negative impact on the fragile environment near the Danube.

Spain faces strikes over jobless benefits

By Peter Bruce in Madrid

SPAIN is facing serious labour unrest this summer and autumn, following the announcement at the weekend by the General Workers' Union (UGT) that it is to hold a half-day stoppage next month, and a general strike of possibly 48 hours in October, both in protest at government cuts in unemployment benefits.

The UGT and the other large union, the communist-led Workers' Commissions (CCOO) are to meet this week to coordinate further mobilisations. The CCOO will probably persuade the UGT to convert its May stoppage into a 24-hour strike.

Both unions are promising a series of rolling sectoral strikes if the government does not withdraw its decree to cut unemployment payments.

The government, which has made the cuts to trim the growing deficit (equivalent to $4bn) in the official employment institute, says they are necessary to help the country cut its public sector deficits before it enters the EC's economic and monetary union (Emu). Mr Carlos Solchaga, finance minister, insisted this weekend that the decree would not be withdrawn.

The government and the ruling Socialist Party, which was initially unnerved by the scale of the decree, were closing ranks at the weekend and appear to have decided to confront the unions. The party is likely, even so, to force some changes to the decree in parliament this week. Officials say these will be minor and will not change the decree's thrust.

Other ministers, including cabinet members well to the left of Mr Solchaga, were rallying to support him at the weekend.

The employment institute's deficit has nearly trebled since 1987. Combined with the introduction of temporary contracts, designed to encourage recruitment of labour, its system of benefits payments has become widely abused. Some unemployed people receive more in institute benefit than they did when working.

Far-right in Germany gains voter popularity

By Quentin Peel in Bonn

CHANCELLOR Helmut Kohl's ruling coalition in Germany is no longer supported by a majority, while the far-right Republicans are creeping up in popularity, according to the latest national opinion poll.

The monthly survey in the weekly magazine Der Spiegel shows support for Mr Kohl's Christian Democrats (CDU) and their Bavarian allies, the Christian Social Union (CSU), slipping to 37 per cent – a drop of three points over the past month.

At the same time, the Republicans, who won seats for the first time in the Baden-Württemberg state parliament this month, increased their support by the same amount – from 2 to 5 per cent – just enough to get seats in the national parliament if there were an election.

The opposition Social Democrats pushed up their support from 38 to 39 per cent, and the Free Democrats, junior partners in the Kohl coalition, maintained their support at 10 per cent. The Greens slipped from 7 to 6 per cent.

The poll confirms that controlling the inflow of asylum seekers is the single most important issue for west German voters.

Biotech groups find bright new world slow to dawn

Europe's patent legislation and regulations have caused frustration in the sector, writes **David Buchan**

THE EUROPEAN MARKET

EUROPE'S biotechnology sector is considerably frustrated with its European Community regulators. This is partly because only three of the 12 EC states have fulfilled their obligation to implement directives on testing new bio-techniques, patent legislation has been stalled in the Strasbourg parliament for the past four years and, at least until recently, four directorates-general inside the Brussels Commission have been at odds over biotechnology.

But other sectors suffer from EC tribulations, too. The 800 companies active in the EC in biotech research are particularly frustrated because they believe their future should be bright. Biotechnology, which is less a new industry than new biological techniques applied to existing industries, is seen as boosting Europe's traditional strengths in the agrichemical, pharmaceutical, and food and drink sectors into the next century. These three sectors employ 15m Europeans. Biotechnology could create a further 2m jobs by the end of this decade, according to the Commission, if all goes right.

All, however, is not going right, says the Senior Advisory Group on Biotechnology (SAGB), a Brussels-based committee of major chemical companies with biotech activities. "If our companies can't use their innovations on a par with their competitors in the US and Japan, they will either decline or move their investments elsewhere," says Mr Brian Ager, SAGB's director.

In fact, both trends seem to be occurring. According to figures on patents registered in the late 1980s, Europeans obtained 19 per cent, compared to 41 per cent for Americans and 36 per cent for Japanese. Biotech investment, particularly by the big German chemical companies Bayer, BASF and Hoechst, is shifting to the US, where the SAGB was recently invited to the White House and impressed, says Mr Ager, by the Bush administration's "clear awareness" of biotechnology's importance.

The senior Commission co-ordinator on biotechnology counters that "industrial lobbies are over-dramatising the situation" with criticism that is, at the very least, outdated. The Commission's 1991 biotechnology policy statement, which pledged not to over-regulate and to ensure EC legislation was coherent, "should be recognised as a positive step".

The industry welcomed the statement but has two gripes:

● Existing regulation. In 1990 the EC passed two directives, on the "contained use" in development laboratories and on the "deliberate release" for field testing of genetically modified organisms. Mr Ager complains these set up "a complicated bureaucratic notification and approval procedure", regardless of the actual risks involved. The industry says biotech products should be assessed on any inherent risk in the product, not on the process by which it is made.

EC states were due to have put the two directives on their national statute books last October; so far only three – Denmark, Germany and the Netherlands – have. The UK is still wrestling with how to carry out the EC directive, and when it put out its proposed regulations for public comment it received in January a tart answer from the US government. "In our view," the US authorities said, "these [EC] regulations would eliminate or severely restrict the potential of UK institutions to bring products to market – and solely because methods of modern biotechnology had been used in their production."

While not conceding any past errors, EC officials harp on more recent initiatives. These include last autumn's proposal for an integrated risk assessment procedure for biotech pharmaceuticals (as part of the Commission idea for a European drugs agency); a plan for a similar procedure for "novel foods" this summer; Commission help for the CEN standards body to harmonise equipment used in the development and manufacture of biotech products; and the setting up of an advisory group on the ethical implications of biotechnology.

● Patenting. In 1988 the Commission proposed a directive on the legal protection of biotech inventions. This has run into opposition in the European parliament, chiefly from the Greens and the animal welfare lobby. Earlier this month the proposal was again sent back to the legal affairs committee without getting a first reading by the whole House.

The reason was MEPs' differences with the Commission, whose support the parliament needs if its amendments are to get through the Council of Ministers. While the Commission accepts MEPs' opposition to patenting human life or any part thereof, it does not back parliamentary amendments on animal protection. It is also opposed to MEPs' demands that leeway be given to farmers using genetically grown seeds. Farmers want to be able to re-use patented seeds, recouped after harvest, without having to pay royalties or seek the permission of the right-holding biotech company. The Commission takes the industry's line that without such protection companies will cut investment in bio-agriculture.

The argument is false, says Lord Inglewood, a Tory MEP who is both a farmer and a member of the legal affairs committee. He reckons the biotech companies would not have a hope of collecting royalties from farmers across the Community, but could in any case rely on farmers periodically switching to new strains of seed.

The patent dispute needs a speedy solution, if Europe's biotech companies are to get uniform protection for inventions in the single market.

Pause in Sarajevo fighting

By Laura Silber in Belgrade

THERE was a lull in fighting around Sarajevo, the capital of the former Yugoslav republic of Bosnia Hercegovina, ahead of peace talks today in Lisbon, the seat of the European Community presidency.

EC negotiators say the resumption of talks among the leaders of Bosnia's 4.35m Moslems, Serbs and Croats is contingent on a stable ceasefire. About 300 people have been killed and some 2,000 wounded in the recent fighting over Bosnian independence.

Serbs, 31 per cent of the population, staunchly oppose independence, which is backed by Moslems and Croats.

However, fighting was reported yesterday at Zvornik, eastern Bosnia, as well as in the north and west.

Belgrade radio said Serbs seized control of a fortess at Zvornik, where Moslem fighters have been holding out for two weeks.

Yugoslav army chiefs began talks with Bosnian leaders yesterday on the withdrawal of 100,000 federal army troops from Bosnia Hercegovina.

Sweden pledges SKr30bn cuts to reduce deficit

By Sara Webb in Stockholm

SWEDEN'S centre-right government has promised sweeping cuts in spending to improve public sector finances and reduce the ballooning budget deficit, now forecast to reach SKr101.8bn ($17.1bn) in the 1992-93 tax year.

The government proposed expenditure cuts of more than SKr30bn over the next three years, concentrating mainly on welfare benefits, local government consumption and the central government sector.

The cuts come on top of earlier promises to slash SKr27bn from the government's 1992-93 spending plans, which included reductions in sickness benefits, interest rate subsidies on housing, and grants to local authorities.

The government said it planned to phase in a new system of state grants to local authorities, aimed at encouraging competition from the private sector.

Mrs Anne Wibble, finance minister, blamed the sharp deterioration in public finances on the current deep recession, adding that the budget deficit would continue to widen in the 1993-94 tax year.

In her supplementary budget, she warned that Sweden's GNP, which fell by 1.1 per cent in 1991, would continue to fall by 0.4 per cent this year before increasing by 0.8 per cent in 1993. Unemployment will reach 4.4 per cent this year and will climb to 5 per cent in 1993 – a record level for Sweden which has traditionally enjoyed full employment.

However, the government stressed it would stick to its low-inflation policy in an effort to enable Sweden to become an economically strong member of the EC. Inflation has already fallen sharply and the consumer price increase (December-to-December) is forecast to be 2 per cent this year and 2.2 per cent in 1993.

The government announced further cuts in taxes, including a widely-expected reduction in VAT, from 25 per cent to 22 per cent, which it said would help exert downward pressure on prices, thus favouring continued low wage growth.

Taxes on electricity and fuel for industrial use will also be scrapped in an attempt to improve the international competitiveness of Sweden's energy-intensive industries, for example in the forestry, chemicals and mining sectors.

Swedish bonds, Page 18

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Guerrillas no longer a joke as Kabul falls

David Housego witnesses the taking of the capital

DURING *the long years* of civil war, the Afghan mujahideen guerrillas have often been ridiculed for incompetence. But the speed with which they have taken over the country in the past two weeks – and the capital Kabul on Saturday – indicates a well-conceived and executed operation.

Kabul fell like a pack of cards. At daybreak, the army and the paramilitary forces still had control, although the reality of power had slipped from them as the regime made clear its willingness to hand over power to an interim mujahideen administration.

The guerrillas started to slip into the capital in large numbers from Wednesday night. That day, a long column of Mr Ahmed Shah Masood's Jamiat-i-Islami fighters headed for the capital. He now says that he moved more rapidly than he had intended because he feared a coup attempt involving his rival mujahideen leader, Mr Gulbuddin Hekmatyar.

He accuses the latter, leader of the most fundamentalist of the Islamic guerrilla groups, *Hezb-i-Islam, of conspiracy* with Mr Raz Mohammad Pakteen, interior minister, and with General Manukay Mangel. All these are hardline Pushtun, who dominate in the south of the country, opposed to hegemony over Afghanistan by non-Pushtun minorities.

By Friday night, all the main mujahideen groups had *smuggled* heavily armed guerrillas into the capital with the tacit *support of the security forces.* They broke cover on Saturday morning, shortly after the announcement from Peshawar in Pakistan of an agreement on an interim administration.

The different guerrilla groups *competed for control of* key installations. Apart from the interior ministry, the Hezb gained control of the foreign ministry, parts of the president's palace, and districts of Mekroyan where the Russian supporters of the *outgoing* regime used to live. The Hezb also won a national guard post in the centre of the city where they unlocked the armoury and distributed weapons.

But the Hezb were easily outnumbered by the Mr Masood's Jamiat and other groups supporting him. At the army's arsenal in Kabul, the Jamiat arrived before the Hezb. "We got here first. *The Hezb came and left,*" said Mohammad Tahirr, a Jamiat commander, grinning with pleasure.

At the Afghan television station, officials in charge had called in the Jamiat and General *Rashid* Dostam's *Uzbek* forces – mainly mercenaries who have been in a loose alliance with Mr Masood's guerrillas – to maintain control.

Almost everywhere the army and security forces handed over control immediately and then stopped to chat with the newly arrived mujahideen. By *mid-afternoon, the streets* were almost empty. Mujahideen began hijacking a few cars and trucks, hoisting the green Islamic flag and touring the town crying jubilant slogans. Some vehicles carried portraits of the late Ayatollah Khomeini of Iran.

Mujahideen set up check-*points in different parts of the* city. There were areas where nerves were strained. Opposite the interior ministry, where the Hezb were in command, the Jamiat had taken over the headquarters of Khad, the *secret police.* The Hezb kept watch with their fingers on their triggers. When driving towards the defence ministry, my car was turned back by a guerrilla who threateningly pointed a rocket-launcher at it.

For all that, it was open day in the Afghan capital in a way probably never seen before. I walked into the Khad hospital to find the the director and two of his colleagues terrified by the sudden turn of events. At *an anti-aircraft centre in the* south of the city, a smiling air force commander had just handed over to a group of guerrillas, the Shia Whadad group made up of Hazaras from central Afghanistan.

At nightfall, the city was tense and in the hands of heavily armed guerrillas, many of whom had never been to the capital before. At about 7.30 pm, tracer fire signal flares began to light the sky, tentatively *at* first and then in a crescendo of celebration. For much of the night, Kabul ech*oed to machine-gun and artil*lery fire, while red and yellow flares hung overhead.

Ahmed Shah Masood, the northern leader facing a job of reconciliation among the Afghan victors

Turkish premier to bolster links with central Asia

By John Murray Brown in Ankara

MR Suleyman Demirel, Turkey's prime minister, travels today to Turkic-speaking central Asia on a *week-long trip* aimed at underlining Ankara's ambitions as a leading regional power and economic model for former Soviet republics.

Mr Demirel's visit, the first by a western leader, will seek to bolster Turkey's linguistic, cultural and religious links with central Asia, reinforcing its support for the leaders of six republics – Uzbekistan, Kirghizia, Kazakhstan, Tajikistan, Turkmenistan and Azerbaijan – all of whom have visited Ankara.

Turkey was one of the first countries to recognise the republics after last year's dissolution of the Soviet Union. Ankara is concerned at Iran's *growing regional influence but,* none the less, remains wary of becoming involved in the area's disputes.

Mr Demirel has refrained from openly siding with the Moslem Azeris in their conflict with Armenia over the Nagorno-Karabakh enclave, although Turkey made an abortive attempt to mediate between the two warring factions. Instead, Turks have set out to gain a commercial and economic foothold in this resource-rich region and to underline their potential role as a *channel for western* business.

Mr Demirel leads a high-ranking delegation, including Mr Hikmet Cetin, foreign minister, and Mr Alpaslan Turkes, a Turkish nationalist and head of the extreme right-wing National Labour party, which has *espoused* a *pan-Turkic* vision to unite Turkic speaking peoples.

"We're supporting them, but Turkey alone cannot solve their problems. I think the world community also has a *responsibility,*" Mr Cetin said.

Turkey's state television has started Turkish language broadcasts to the region, and Ankara is offering university places for 1,000 students from each of the six republics. It has *also sent* Islamic *teachers* from its religious ministry.

Longer term trade prospects remain uncertain. Turkey has no common border with the central Asia states, a reminder of the limits of economic *co-operation.*

With its own severe budget problems, Turkey's aid funds are scarce. The Turkish Eximbank has frozen all new credit lines to the republics until outstanding debt obligations are *settled.* Some *Turkish* contractors already complain of payments difficulties with the republics.

Among the former Soviet republics, Russia continues to be Turkey's principal economic partner. Both sides have still to renegotiate a $300m-a-year gas offtake deal, which has underpinned *bilateral trade* worth $2bn in 1990.

At the palace the president gives way to a semblance of order

A LOOK inside the simple, elegant, book-lined bedroom of the deposed Afghan President Najibullah suggests all must have been calm until the day he tried to flee Kabul aboard a waiting UN aeroplane, then was turned back by his erstwhile militia allies at the capital's airport, reports Steve Levine in Kabul.

The presidential quarters gave no sign of a hurried exit.

This weekend, though, there was little calm on the green lawns and among the fountains of the presidential palace grounds. At 3:47 pm on Saturday, men loyal to the mujahideen commander Mr Ahmed Shah Masood sneaked through the adjacent Afghanistan National Bank and into the grounds. Mr Najibullah had gone into hiding in Kabul the day before. Now the rebels, in battle for control *of the capital, were rifling the presi*dential guards' stores for weapons and ammunition.

They took up position on the palace roofs and placed tanks in the drive. One guerrilla fixed his tank in a tight circle, playfully spinning the vehicle round and round in the dirt.

At the back perimeter wall yesterday morning, militia allies of Mr Masood fought a machine-gun and mortar skirmish against fighters controlled by mujahideen rival Mr Gulbuddin Hekmatyar and positioned at the foreign ministry.

The militia unit, under the command of an ethnic Hazara named Abdul Chirik, was protecting a communications centre – an aluminium pole sticking up from the top of a tank, reinforced by electrical wiring fixed to the wall. At one of the palace's five gates, another rebel commander, allied with Mr Masood and calling himself Moel, stood near a smoking brick building. "We want peace, but they want war. *We had to* run them out," he said of Mr Hekmatyar's fighters.

However, in the palace grounds yesterday, Mr Masood's men were maintaining relative order. In a building next to Mr Najibullah's quarters, Hazara militiamant strolled about, collecting booty in sacks.

Ethnic Tadjiks at the front door checked the sacks and forced *their* looter allies to leave most of the booty. "You are not a Moslem," one Tajik admonished a *Hazara carrying* a sack, sending a tin teapot he had been trying to steal bouncing across the floor.

Iranian oil for Ukraine

TEHRAN is to supply Ukraine with 4m-5m tonnes of oil this year, Reuter reports from Nicosia.

Iranian radio, monitored by the British Broadcasting Corporation, has also reported that *three pipelines are planned* to carry a total of 75bn cubic metres of Iranian gas to Europe.

Mr Gholamreza Aqazadeh, Iran's oil minister, announced on Saturday that Iran had agreed to supply 25bn cubic metres of gas to Ukraine.

He said a joint company, to be set up by the two countries and Azerbaijan, would build a pipeline to carry the gas, some of which would be exported to *Europe by Ukraine.*

Mr Leonid Kravchuk, the Ukrainian president, arrived in Tehran at the weekend and held talks with Mr Ali Akbar Hashemi Rafsanjani, his Iranian counterpart.

Russia faces delay in membership of IFC

By Peter Norman in Washington

EARLY Russian membership of the International Finance Corp (IFC), the World Bank affiliate charged with promoting private-sector investment, has been thrown into doubt by problems in the US administration.

Russia and the other 14 former Soviet republics have completed the formalities to become members of the International Monetary Fund and the World Bank, which are holding their spring meetings in Washington this week. But the US has so far not given the go-ahead to a limited increase in IFC capital that would allow Russia and other republics to join the affiliate.

The difficulty lies in the US Congress. Russia and the republics will be able to join the World Bank as it had sufficient *unallocated shares to* give Russia a 2.92 per cent of World Bank capital and the former Soviet republics, including Russia, 5.25 per cent.

The IFC, however, only had about half the number of unissued shares required to make the former Soviet states into members with the same shareholdings as in the World Bank.

A selective capital increase is needed to accommodate the new entrants but it is unclear whether the US, which holds 25 per cent of IFC capital and can therefore block any move to alter the corporation's shareholding, will support such a scheme.

Wrangling with Congress over the US budget led to months of delay before Washington agreed last year to a $1bn (£571m) increase of IFC capital, to $2.3bn. There are hopes in Washington that the latest problem over IFC capital can be solved soon.

Meanwhile, the IFC is building up its operations in the former Soviet Union by focusing on *the provision of know-how.* It recently won a contract to help privatise 2,000 shops in Nizhny Novgorod, formerly the Russian city of Gorky.

Fresh impetus for farm trade compromise

By David Dodwell in Bandai Kogen, Japan

US and European Community farm trade negotiators are to intensify efforts to reach a compromise on farm trade liberalisation, officials said yesterday at the end of a summit in Japan of trade ministers.

Failure to reach a deal on the issue has blocked for more than 15 months the Uruguay Round of talks on world trade reform, jeopardising free trade and slowing recovery from recession in many economies.

The stimulus for a fresh initiative comes from a meeting in Washington last week between US President George Bush and EC President Jacques Delors. Expectations of a breakthrough did not materialise but "new ideas" from the EC – which included an offer *to come closer to the 24 per* cent cut in the volume of the Community's subsidised farm exports being demanded in the Uruguay Round – appear to have raised hopes.

Mr Hugo Paeman, a senior EC trade negotiator, is to contact Mr Jules Katz, his US counterpart, on Wednesday to arrange a schedule of working-level meetings.

Officials at the weekend summit – comprised of trade ministers from Japan, the US, the EC and Canada meeting in the Japanese mountain resort of Bandai Kogen, north of Tokyo – talked of compromise being reached "in several weeks, rather than months".

While one EC spokesman insisted "the problem is not at *the working level, but at the* political level," he confirmed an early conclusion was targeted. "If we have not got agreement by the time of the Group of Seven summit in Munich in July, we can forget about an agreement for this year – and perhaps for ever," he said. "It would be the third time the G7 failed to solve the problem, and would create a serious dilemma for the credibility of G7 leaders."

Morale dipped among Uruguay Round trade negotiators over Easter, when the latest of a long string of missed deadlines passed without settlement of the farm trade dispute. They now believe momentum is at the mercy of US presidential elections in November and Upper House elections in Japan in July.

When Japan's Ministry of Trade and Industry (Miti) arranged the Bandai Kogen summit they hoped it would take place after the six-year-old Uruguay Round negotiations had been successfully completed. Set in Fukushima prefecture, the childhood home of Mr Kozo Watanabe, Japan's trade minister, it was intended to be "75 per cent pleasure and 25 per cent work".

While the pleasure principle was not wholly abandoned, the fact that the meeting followed so swiftly on the Washington meeting between Mr Bush and Mr Delors prompted Japanese and Canadian officials to press their EC and US counterparts for comprehensive debriefings on the outcome of the summit.

"Encouraged" by reported headway in Washington, Mr Watanabe then pressed for a resumption of bilateral talks in the Geneva headquarters of Gatt on tariff cuts and liberalisation of trade in services.

The process under which Gatt signatories have been tabling detailed schedules of tariff cuts and openings to service trade was stalled in February as US-EC farm talks foundered. Negotiators insisted they needed to see details of farm trade liberalisation in the EC and the US before they could make "bottom line" offers.

NOTEBOOK

Old foes resume the bickering

By Peter Norman

A MEETING of finance ministers of the Group of Seven would not feel right without a bout of bickering between the US and Germany.

At a press conference yesterday Mr Theo Waigel, the German finance minister, was still visibly peeved by the US Treasury's criticism of German fiscal policy. "Complaints and accusations don't help," he said, adding that "I'm not going to be put in the dock".

Meanwhile, the national champions – Mr David Mulford, the US Treasury under-secretary for international affairs, and Mr Horst Köhler, state secretary in the Bonn Finance Ministry – have been seen talking to each other in Washington after trading charge and counter-charge last week.

This latest spat, triggered by Mr Mulford's claim that Germany's high fiscal deficits were becoming a structural problem and exporting slow growth to the Europe, rapidly moved up the Richter scale of public rows. If Mr Mulford thought he could make his strictures acceptable by insisting that the US was not trying to prescribe policy for Bonn, he must have suffered a shock.

US officials were certainly taken aback by the sharpness of Mr Köhler's reply, which accused Mr Mulford at one point of making "one-sided and partly false public comments".

While some officials in Washington put the whole thing down to Mr Mulford's insensitivity and Mr Köhler's thin skin, others could see a method behind the US Treasury's megaphone diplomacy.

Had the US first raised its worries about Germany's fiscal policy in yesterday's G7 meeting, the discussions on Russia and the world economy would have been overshadowed by a round of table banging.

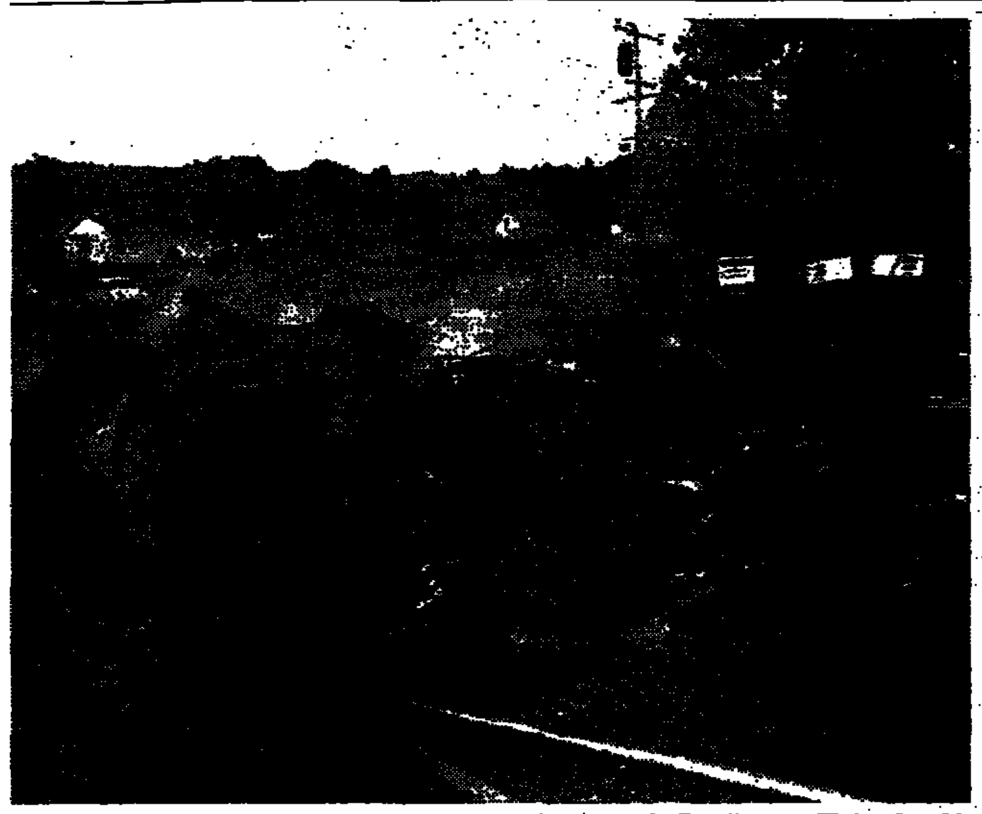
□ □ □ □

If foreign exchange reserves are a guide to a country's ability to import, it is no wonder that Russia's imports have collapsed. A new International Monetary Fund economic review of the Russian Federation discloses that the reserves *of the Russian central bank fell* to just $12m (£6.7m) at the end of January.

□ □ □ □

Russia's impending membership of the IMF is not to everybody's liking. Many developing countries fear they will obtain less financial support once the former Soviet republics qualify for IMF credits.

But Mr Michel Camdessus, IMF managing director, insists that help for Russia and its neighbours will help the third world too. Taking India as an example, he points out that the former Soviet Union's imports from India fell by 52 per cent between 1990 and 1991, delivering a "major shock" to the Indian economy. "In fighting to help Russia to recover, we are recreating markets for India and all the countries in the area," he says.



A POWERFUL earthquake rocked the northern California coast on Saturday, destroying several buildings and injuring at least 50 people in small logging towns close to the Oregon border, including Petrolia (above), writes Louise Kehoe in San Francisco.

The earthquake struck at 11am (Pacific standard time) and measured 6.9 on the Richter scale. The epicentre was about 250 miles north of San Francisco.

It was the second strong earthquake in California last week. The first, on Wednesday, hit southern California near Palm Springs and measured 6.1 on the Richter scale. Seismologists said the two events were not related but served as a reminder that the state of California was riddled with fault lines.

Ferndale, a small town with 1,600 residents, took the brunt of Saturday's quake. About 40 businesses and 20 homes were seriously damaged. *Preliminary estimates* put the cost of damage at about $3.5m (£1.97m).

NEWS IN BRIEF

Kenya alleges plot to spread violence

THE Kenyan government said yesterday it had uncovered a plot *to spread violence sweeping the* west of the country to other parts of the state, Reuter reports from Nairobi.

But it said measures were in place to check a spillover of the unrest, which has killed at least 125 people since March 1.

The government blamed fighting over rights to rich farmlands in western Kenya on "outside factors", saying that tribes in the region had been living in harmony for generations. It implicitly accused Kenya's newly legalised opposition parties of fomenting trouble, noting that some of their leaders had threatened to make the country ungovernable.

S African finance minister to quit

MR Barend du Plessis, the South African finance minister, has announced he will resign on May 1 due to exhaustion, writes Patti Waldmeir in Johannesburg.

Mr du Plessis, who had been one of the Pretoria government's chief negotiators at the multi-party constitutional forum, the Convention for a Democratic South Africa, has clashed frequently with black politicians in the transition to post-apartheid rule.

He has come under increasing pressure recently from businessmen because of the way he handled the introduction last year of value-added tax. After battling for several weeks with trade unions over the application of VAT to foodstuffs, Mr du Plessis announced an arbitrary reduction in the rate from 12 to 10 per cent, and certain exemptions. *Despite these concessions,* unionists staged a two-day national general strike which paralysed economic activity. Mr du Plessis' successor has yet to be named.

Boloña retains cabinet post

Mr Carlos Boloña, Peru's finance minister, will now retain his cabinet post while his principal opponents, Mr Augusto Blacker Miller and Mr Joy Way, respectively foreign relations and industry ministers, have been forced to resign, writes Sally Bowen in Lima.

Mr Boloña's conditions for remaining at the economic helm apparently included the departure of both adversaries.

The weekend ratification of his position will come as a relief to the International Monetary Fund with whom he has been Peru's chief interlocutor for the past 14 months.

Petrol blamed for Mexican blast

A mixture of petrol and official negligence was the main cause of the explosions in Guadalajara last Wednesday, which left 190 dead and 1,400 injured, according to the Mexican attorney-general's first report, writes Jeanne Grant in Mexico City.

Large quantities of petrol were found in the drainage system, together with smaller amounts of hexane (used in oil seed processing) and other "combustible matter".

The report, issued yesterday, said local authorities had discovered this the day before the explosions, but did not order evacuation of the area or act to prevent an accident. The source of the petrol has been identified as a hole in a pipe from a refinery run by Pemex, the national oil company.

Arabs to focus on UN resolutions in renewed Mideast talks

By Lamis Andoni in Amman and Tony Walker in Cairo

ARAB delegates to Middle East peace talks, which resume in Washington today, look set to focus more specifically on UN resolutions requiring Israel's withdrawal from occupied Arab land.

The representatives seem certain to ask why Israel is being treated differently to Libya, which is being subjected to sanctions for failing to accept Security Council demands that it yield nationals accused of bombing western airliners. Mr Nabil Shaath, a senior Palestine Liberation Organisation (PLO) official and co-ordinator for the Palestinian delegation in Washington, has repeatedly accused the west of applying double standards over the Libyan affair.

However, the fifth round of talks is expected to mark time in the run-up to Israeli elections on June 23.

The Palestinians have already rejected Israeli proposals for municipal elections in the occupied West Bank and Gaza Strip, accusing Mr Yitzhak Shamir, Israel's prime minister, of electioneering.

They believe Mr Shamir, who is facing a strong challenge from Mr Yitzhak Rabin, the Labour leader, will try to use the talks to improve his record as a peacemaker.

Israel's Arab neighbours and the Palestinians are making no secret of their desire for a change of government. *Mr Rabin has pledged to push* ahead with plans for Palestinian autonomy in the occupied territories.

Little progress has been made in four round of talks between Israel and delegations representing Syria, Lebanon and a Jordanian-Palestinian team since the US-sponsored process was launched amid much fanfare in Madrid last October.

Much argument has centred on Arab demands that Israel comply with UN Security Council resolutions 242 and 338, passed after the 1967 and 1973 wars and regarded by Arabs as the basis of any Middle East settlement.

Israel has been intent on deflecting discussions about "land-for-peace" resolutions, insisting it is not interested in territorial compromise at this stage. Rather, it has attempted to discuss interim confidence-building arrangements.

The US, which is pressuring the participants to begin talks of substance, has suggested that difficult subjects like the implementation of resolution 242 should be deferred until later stages of the process. But the Arabs insist that the issue forms an integral part of all discussions.

Arab participants claim that the international community's reluctance *to insist that Israel adhere to UN reso*lutions obliging it to withdraw from Arab land is undermining their credibility in the eyes of their people.

However, they also recognise they are caught in a quandary over the issue of Libya and sanctions. "How can Arab governments reject Security Council resolutions [on Libya] while they are pursuing the implementation of 242 and 338," a Jordanian official involved in the peace talks said.

INTERNATIONAL ECONOMIC INDICATORS: PRODUCTION AND EMPLOYMENT

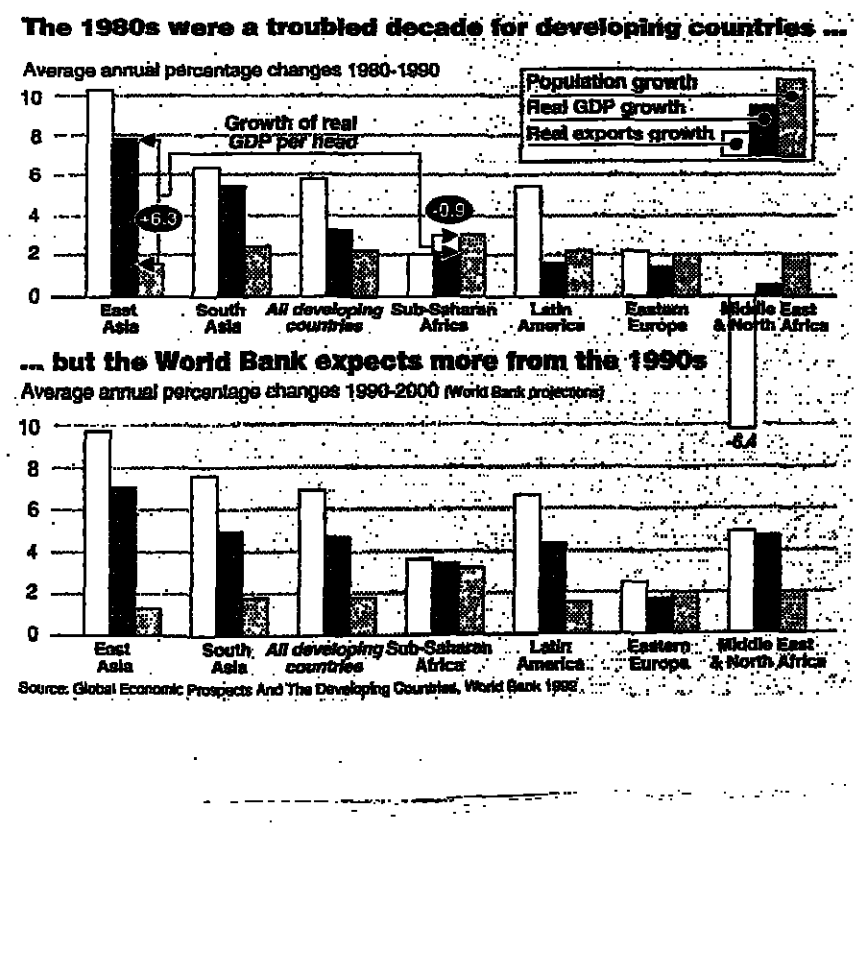
Yearly data for retail sales volume and industrial production plus all data for the vacancy rate indicator are in index form with 1985=100. Quarterly and monthly data for retail sales and industrial production show the percentage change over the corresponding period in the previous year, and are positive unless otherwise stated. The unemployment rate is shown as a percentage of the total labour force. Figures for the composite leading indicator are end-period values.

	UNITED STATES					JAPAN				
	Retail sales volume	Industrial production	Unemployment rate	Vacancy rate indicator	Composite leading indicator	Retail sales volume	Industrial production	Unemployment rate	Vacancy rate indicator	Composite leading indicator
1985	100.0	100.0	7.1	100.0	103.0	100.0	100.0	2.6	100.0	96.7
1986	105.7	101.0	6.9	98.0	108.2	106.5	99.7	2.8	94.3	105.4
1987	108.3	105.9	6.1	105.5	110.0	113.8	103.1	2.8	108.3	115.4
1988	112.2	111.6	5.4	106.1	114.4	122.8	112.9	2.5	135.9	123.0
1989	114.7	114.5	5.2	99.3	113.4	132.8	119.9	2.2	147.0	128.7
1990	114.2	115.7	5.4	84.5	109.3	142.0	125.3	2.1	149.7	124.7
1991	112.0	113.5	6.6	61.9	114.8	145.0	128.0	2.1	144.5	123.7
1st qtr.1991	−3.9	−2.3	6.4	64.5	111.1	3.0	6.0	2.0	148.1	125.1
2nd qtr.1991	−1.6	−2.8	6.7	63.0	112.3	2.6	3.1	2.1	146.4	124.4
3rd qtr.1991	−1.4	−2.1	6.7	60.9	112.8	1.0	1.2	2.1	141.6	124.7
4th qtr.1991	−0.5	−0.5	6.9	59.1	114.8	1.9	−1.6	2.1	141.2	123.7
1st qtr.1992		1.0	7.1							
March 1991	−2.1	−3.6	6.8	63.1	111.1	2.4	3.5	2.1	142.6	125.1
April	−2.1	−3.0	6.5	62.8	111.3	2.5	3.8	2.1	152.6	124.9
May	−1.1	−2.7	6.8	62.4	111.9	1.8	4.3	2.1	146.4	124.6
June	−1.7	−2.5	6.9	63.7	112.3	3.4	1.1	2.1	140.5	124.4
July	−1.2	−2.1	6.7	61.1	112.3	−0.3	2.5	2.2	149.8	124.4
August	−1.6	−2.3	6.7	60.6	112.4	4.5	0.1	2.1	137.5	124.4
September	−1.2	−2.0	6.6	60.9	112.8	−1.2	0.9	2.1	137.3	124.7
October	−0.8	−1.4	6.7	58.4	113.3	1.6	−1.8	2.1	144.4	124.4
November	−1.3	−0.2	6.8	59.1	114.1	4.1	−1.0	2.1	139.8	124.1
December	0.5	0.2	7.0	59.8	114.8	0.0	−1.9	2.1	139.1	123.7
January 1992	*4.9*	*−0.2*	*7.0*	*56.3*	*115.5*	*0.8*	*−4.0*	*2.1*	*137.8*	*123.8*
February	3.9	1.1	7.2	59.0	116.4		−4.2	2.0		125.1
March		2.1	7.2							

	GERMANY					FRANCE				
	Retail sales volume	Industrial production	Unemployment rate	Vacancy rate indicator	Composite leading indicator	Retail sales volume	Industrial production	Unemployment rate	Vacancy rate indicator	Composite leading indicator
1985	100.0	100.0	7.2	100.0	104.3	100.0	100.0	10.2	100.0	101.7
1986	103.6	102.2	6.4	136.4	104.1	102.4	101.1	10.4	107.2	108.6
1987	107.4	102.5	6.2	149.4	105.2	104.5	103.1	10.5	117.6	107.9
1988	110.6	106.2	6.2	164.7	111.4	107.9	107.3	10.0	134.9	112.7
1989	113.6	111.4	5.6	218.9	114.2	109.6	111.3	9.4	161.3	112.4
1990	122.7	117.2	4.9	260.6	114.9	110.1	112.7	8.9	165.6	106.6
1991	129.7	120.7	4.3	269.8	111.5	109.7	113.2	9.4	129.9	106.5
1st qtr.1991	12.1	4.7	4.3	267.1	113.3	−0.5	0.9	9.0	133.1	106.5
2nd qtr.1991	9.8	5.6	4.3	277.0	113.2	−1.4	0.1	9.3	130.1	108.1
3rd qtr.1991	0.4	1.9	4.4	275.2	112.8	0.0	−0.6	9.5	132.4	108.4
4th qtr.1991	1.0	0.1	4.3	260.5	111.5	0.2	1.6	9.7	124.3	106.5
1st qtr.1992										
March 1991	11.5	4.4	4.3	272.8	113.3	0.5	−1.4	9.1	132.0	106.5
April	9.1	6.8	4.3	274.6	113.0	0.4	−0.1	9.2	129.1	106.9
May	7.1	3.2	4.3	275.4	113.1	−2.0	0.2	9.3	129.5	107.6
June	13.4	6.8	4.3	278.6	113.2	−2.5	0.2	9.4	132.0	108.1
July	3.3	3.6	4.4	278.4	112.9	3.2	−0.7	9.5	134.9	108.5
August	−1.9	1.3	4.4	278.4	113.1	−0.8	−0.7	9.5	134.1	108.5
September	−0.1	0.8	4.4	270.3	112.8	−2.3	−0.4	9.6	128.0	108.4
October	3.3	0.6	4.4	261.3	112.3	1.4	0.7	9.7	124.5	107.7
November	−0.2	1.7	4.3	258.1	111.7	0.7	1.5	9.7	125.8	107.2
December	−0.2	−2.1	4.3	262.9	111.5	−1.5	2.6	9.6	122.8	106.5
January 1992	*−1.9*	*0.2*	*4.3*	*271.9*	*111.3*	*0.2*	*0.4*	*9.8*		
February	−1.9	3.2	4.3	283.3	111.1	3.8	0.3	9.9		
March										

	ITALY				UNITED KINGDOM				
	Retail sales volume	Industrial production	Unemployment rate	Composite leading indicator	Retail sales volume	Industrial production	Unemployment rate	Vacancy rate indicator	Composite leading indicator
1985	100.0	100.0	9.6	103.9	100.0	100.0	11.2	100.0	102.2
1986	108.0	104.1	10.4	110.7	105.2	102.4	11.2	116.1	105.3
1987	113.8	106.8	10.9	112.9	110.7	105.7	10.3	141.2	109.6
1988	110.2	114.2	10.9	117.8	117.7	109.5	8.5	144.3	108.1
1989	118.4	118.7	10.9	116.1	119.6	109.9	7.1	124.7	105.5
1990	115.0	118.0	10.3	112.5	120.4	109.4	6.8	97.9	103.6
1991		115.4	9.8	115.6	119.5	106.1	8.9	68.1	107.8
1st qtr.1991	−1.9	−2.1	9.9	113.8	−0.8	−2.9	7.8	81.8	104.8
2nd qtr.1991	−7.9	−2.2	10.0	114.5	−2.0	−5.9	8.7	64.1	107.1
3rd qtr.1991	0.9	−3.7	9.6	115.3	−0.5	−2.2	9.4	61.6	108.3
4th qtr.1991		−0.7	9.9	115.6	0.4	−0.8	9.7	65.5	107.8
1st qtr.1992					−0.3				
March 1991	5.7	−3.3	n.a.	113.8	2.0	−3.2	8.2	81.0	104.8
April	−12.4	−3.6	n.a.	114.0	−2.2	−6.7	8.4	70.4	106.1
May	−9.6	−2.4	n.a.	114.1	−3.4	−6.0	8.7	63.1	108.9
June	−1.8	−0.4	n.a.	114.5	−0.5	−5.0	8.9	58.6	107.1
July	−3.7	−2.3	n.a.	114.7	−0.6	−2.0	9.2	60.6	107.4
August	1.6	−6.6	n.a.	115.2	−0.2	−2.6	9.4	62.1	107.8
September	−2.6	−2.2	n.a.	115.3	−0.7	−2.1	9.6	62.1	108.3
October		−1.5	n.a.	115.3	−0.1	−1.6	9.6	60.3	108.7
November		1.1	n.a.	115.4	1.6	−0.6	9.7	63.9	108.3
December		−1.7	n.a.	115.6	−0.4	−0.3	9.9	72.1	107.8
January 1992		*−1.4*		*115.4*	*0.6*	*−1.2*	*10.1*	*71.1*	*107.6*
February		−0.2		114.5	1.3	−1.6	10.2	72.4	107.8
March					−3.0				

All series seasonally adjusted. Statistics for Germany apply only to western Germany. Data supplied by Datastream and WEFA. **Retail sales volume:** data from national government sources except Japan and Italy (value series deflated by OECD using CPI). Refers to total retail sales except France and Italy (major outlets only) and Japan (department stores only). **Industrial production:** data from national government sources. Includes mining, manufacturing, gas, electricity and water supply industries except Japan (mining and manufacturing only) and UK (also includes construction industries). **Unemployment rate:** OECD standardised rate which adjusts as far as possible for the different definitions of unemployment used in official sources. **Vacancy rate indicator:** relevant vacancy measure divided by total civilian employment, expressed in index form. Derived from OECD series. US – help-wanted advertising, Japan – new vacancies, Germany and France – all jobs vacant, Italy – no data available, UK – unfilled vacancies. **Composite leading indicator:** OECD data. Each is a combination of series, cyclical fluctuations which usually precede cyclical fluctuations in general economic activity.



Optimists predict little progress for poorest countries

THE WORLD BANK cannot be faulted for its optimism. Over the past few years it has been preaching a new message: a combination of debt relief, trade liberalisation and less interventionist government can together revive the economic prospects of the developing countries. Many of these countries have acted on the bank's advice. *So far the developed world has done* little more than listen politely.

Undaunted, the World Bank's latest economic forecasts assume that both developed and developing countries act on its recommendations. The results, published recently in this year's Global Economic Prospects and the Developing Countries report, are moderately pleasing. The average annual economic growth rate of low- and middle-income countries is expected to rise to 4.9 per cent in the 1990s, up from 3.2 per cent over the past decade. The east Asian countries are expected to have slower growth, though their recent performance has been exceptional.

At first sight these conclusions may seem rather odd. The developed world is the main market for developing country exports, purchasing 75 per cent of their manufacturing exports. But the growth prospects for the industrialised countries look increasingly discouraging. Moreover, exports to the developed world are likely to be the main source of resources to finance new domestic investment. Net *resource flows to the developing world fell* in the 1980s, and the chances of a fall in real interest rates and a spurt of new lending look remote.

So why should the bank be predicting faster economic growth? One reason is that it expects a successful conclusion to the Uruguay Round of trade negotiations. It estimates that a 50 per cent fall in non-tariff barriers would raise developing country exports by $50bn (£28.2bn), almost equal to the total net flow of official development assistance in 1991. But the bank's confidence in the Gatt process may be misplaced. Developing country imports constitute only 3.1 per cent of the total consumption of the main developed countries. But the percentage of these imports covered by non-tariff barriers has grown in the past 10 years.

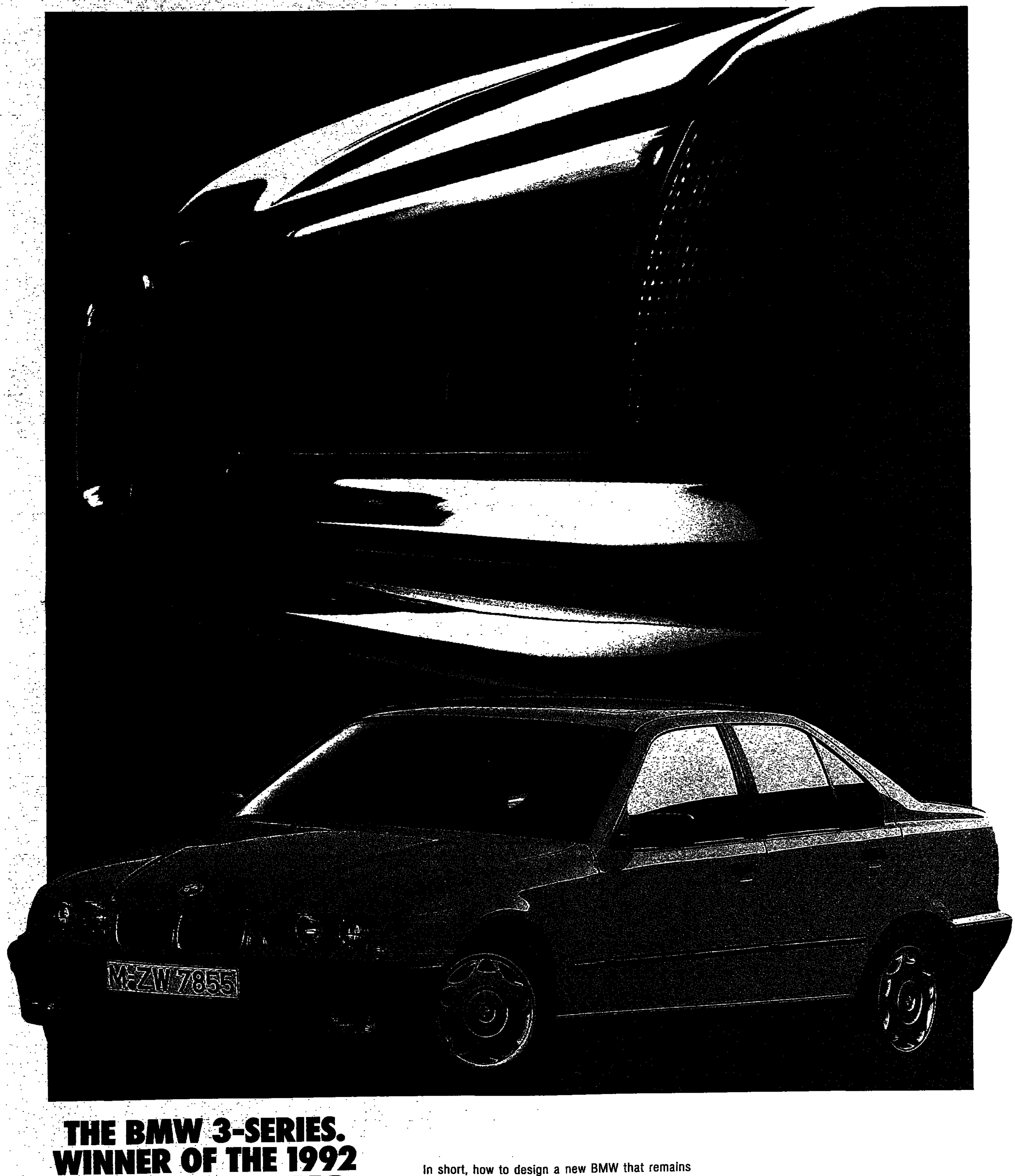
If liberalisation rather than protectionism does prevail, the immediate gains will be unevenly shared. More than half the extra exports would accrue to east Asian countries. But the long-term impact could spread much wider. The link between *growth in exports and in gross* domestic product is strong, as the chart shows. Further liberalisation might encourage more governments to pursue the free-trade and market-friendly policies that have boosted growth in east Asia in recent decades. While the developing country share of labour-intensive manufactures doubled between 1965 and 1989, this increase was entirely due to the rise of east Asian economies. But other developing countries, in Latin America and more recently India, are now following their example.

Yet the World Bank report contains little good cheer for sub-Saharan Africa, where the majority of low-income countries are located. Weak and corrupt governments and the throttling burden of accumulated debts mean that most sub-Saharan *countries have made little* progress to date in liberalising their economies and upgrading the education and skills of their population. Instead, they remain highly dependent on primary commodity exports – manufacturing exports constitute only 19 per cent of total exports, against 69 per cent in east Asia. Those structural adjustment efforts that have been attempted, notably in Nigeria, have effectively ground to a halt; while creditor governments remain unwilling to agree to the Trinidad proposals for low-income country debt reduction.

The World Bank expects the world's poorest countries merely to tread water over the next decade. Even if its relatively optimistic expectations are correct, GDP growth across Africa is barely expected to keep pace with population growth. Poverty will remain as entrenched as ever. If the bank is wrong, then real incomes per head will continue to fall.

Edward Balls

REMAIN TRUE TO YOURSELF AND YOU'LL BE REWARDED.



THE BMW 3-SERIES. WINNER OF THE 1992 CAR DESIGN AWARD TORINO-PIEMONTE.

When we set out to design the new 3-Series, the question was how to accomodate new customer and social needs, like improving aerodynamic efficiency and increasing interior space, without sacrificing the characteristic BMW look.

In short, how to design a new BMW that remains a true BMW. This would require an unprecedented amount of skill and imagination.

And we are glad to say that representatives from the world's leading automotive magazines appreciated our efforts, bestowing our designers with the renowned Car Design Award Torino-Piemonte for their work on the new 3-Series sedan.

Which just goes to show that when you design cars that are truly distinctive, they just can't escape recognition.

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Pressure to extend 'holiday' for stamp duty on housing

Call to keep tax help for home sales

By Alison Smith

THE GOVERNMENT is coming under pressure to extend the "holiday" from stamp duty for most house purchases unless there is a clear and sustained revival in the housing market.

Some Tory backbenchers have already said privately that they believe the government would have great difficulty in re-imposing the previous stamp duty arrangements, and there have also been representations from the construction and housing industry.

The decision to lift the point at which the 1 per cent levy becomes payable, from £30,000 to £250,000, was announced in December as part of the government's measures to help home owners. It is due to run out in mid August.

Ministers will be determined to reserve their position until it becomes clear whether the housing market has recovered simply on the back of the measures already taken and on the renewed confidence in the wake of the election.

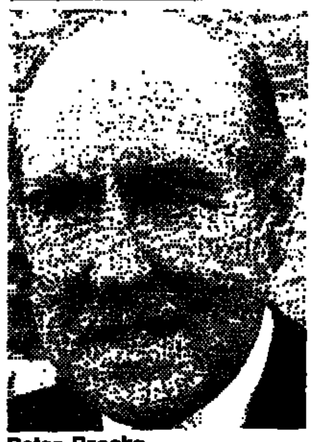
The government does not intend to abolish stamp duty on house purchases and puts some faith in the idea that the impact of the change will have most effect only as the August 19 deadline approaches.

Ministers will also argue that further cuts in interest rates, when they can prudently be made, will have more impact on the market than the future of stamp duty.

The continuing political sensitivity of housing was demonstrated by the fact that representatives of the construction industry have already had an introductory meeting with Mr Michael Howard, the new environment secretary.

Since the election, some estate agents have expressed confidence of a rise in house purchases, but there has been more caution about predicting a sustained recovery. Instead, they have drawn attention to the position last year, when there was an improvement immediately after the Gulf war but sales fell sharply as summer approached.

Five candidates line up in Commons election



Peter Brooke
Age: 58
Constituency: City of London
The Northern Ireland secretary until the election is seen as the Tory front runner. He is admired for his wit, patience and courtesy but some Tories have said they would not support him because they think the Speakership should not go to someone so fresh out of the cabinet.

Paul Channon
Age 56
Constituency: Southend West
The former cabinet minister – he left office in 1989 after an unhappy time as trade secretary and then transport secretary – has stayed in the Commons to become a senior backbencher. His 30 years' service at Westminster may attract some Tories but he seems the outside candidate.

Terence Higgins
Age: 64
Constituency: Worthing
The chairman of the all-party Treasury committee and of the liaison committee of committee chairmen, he is the senior figure of the select committee system set up in 1979. He has demonstrated his independence of government, but some colleagues favour a less dry personality.

Sir Giles Shaw
Age: 60
Constituency: Pudsey
A popular former middle-rank minister and on the 1922 executive. He has particular support from the "knights of the shires". He has served as a chairman of committees considering legislation but he may be too much a Tory establishment figure to attract opposition support.

Betty Boothroyd
Age: 62
Constituency: W Bromwich
The only Labour candidate has attracted praise as a deputy speaker for humour and warmth: she responded "call me madam" when asked how she should be addressed. Some MPs favour electing the first woman to the office but most Tories may want to retain it for one of their own.

MPs face many voices in vote for Speaker

By Alison Smith

THE House of Commons faces the prospect today of the first contested election for its Speaker, who presides over Commons proceedings, for more than 40 years, as it became clear that Miss Betty Boothroyd, Labour's candidate, will be proposed by Mr John Biffen, a former Tory cabinet minister.

The arrangements when MPs meet this afternoon, under the chairmanship of Sir Edward Heath, the "father of the House" – the MP with the longest continuous service – may tax even those who remember the last contest in 1951. Then there were only two candidates, while this time there may be four Tory candidates as well as Miss Boothroyd.

Many Tories believe that if the Tory field is split, Miss Boothroyd is certain to win, possibly leading some Tories who favour other candidates to support the first Conservative proposed.

As a result, some Tories believe there should be a change in the rules set out in Erskine May, Westminster's procedural "bible", to make the contest less dependent on the first nomination. Erskine May says that once one candidate has been proposed and seconded, then the debate proceeds to a vote only if another candidate is put forward in an amendment. Whether the original or alternative candidate wins further candidates can then be put forward in a series of "knockout" votes, in each of which MPs choose between two.

The proposed change, which stands little chance of being accepted, would mean that the first vote is simply on whether Miss Boothroyd should be Speaker. Only if she were rejected would the Tory vote have to be divided between individual candidates.

The process of successive divisions is so drawn-out that in the event MPs may not wish to follow such a difficult procedure through to the end, settling on one candidate at an early stage if he or she seems likely to prevail overall.

In an uncontested election, the proposer and seconder of the Speaker conventionally come from opposite sides of the Commons, but there is some doubt about which of the Tory candidates would get cross-party backing if Miss Boothroyd is in the running. Miss Boothroyd's supporters say she has the support of up to 15 Tory MPs.

The Speakership has conventionally been in the gift of the largest party, but the question is one MPs can decide for themselves and there is no "party line".

Poll tax leaves a legacy of debt

By Bethan Hutton

THE POLL TAX has entered its final year, but its legacy of debt collection looks set for a long life.

"The last bills have just gone out, but we reckon we will be collecting it until the end of the century," said Mr Martin Pilgrim, of the Labour-controlled Association of Metropolitan Authorities.

Arrears vary around the country from less than 5 per cent to almost 40 per cent.

Some local authorities have come up with novel ways of speeding up collection. Brent Council in north London pays for a monthly four-page newspaper supplement. Under the slogan "There is no amnesty", it publishes lists of people against whom liability orders have been granted, to embarrass them into paying. The most recent issue offered a 5 per cent discount on the full charge of £271 if people paid up by April 14.

"We had people queueing up outside the town hall," said a council official. "We have collected more in the first two weeks than we collected in the first three months last year."

The non-payment issue is particularly severe in Scotland, where the tax was introduced a year before it was in England and Wales. At the end of last month, Strathclyde Regional Council had 38 per cent of its total £375.5m billed for 1991-92 outstanding, in spite of an advertising campaign.

In Scotland, imprisonment is not available as a final solution. The last resort is to hold a warrant sale, where household goods are sold. However, because of anti-poll tax protests, no warrant sales have been able to proceed.

At the other end of the scale, Mole Valley District Council in Surrey has collected 97 per cent of the amount due. Police have been more co-operative in chasing up non-payers than in many urban areas.

Ulster talks poised to reopen this week

By Ralph Atkins

ATTEMPTS to resolve Northern Ireland's political future by "round table" talks will resume this week after being given the go-ahead by British and Irish ministers at a meeting in London today.

Unionist and nationalist leaders are expected to reopen on Wednesday negotiations that collapsed last July but which might – if the enormous gulf between the two communities is overcome – lead to devolved government for the province.

Sir Patrick Mayhew, Northern Ireland secretary, will meet Mr David Andrews, the Irish foreign minister, today for an Anglo-Irish conference meeting, held under the 1985 Anglo-Irish Agreement.

They are expected to agree a three-month gap before the next meeting, so satisfying the Unionist demand for the conferences to be suspended during negotiations.

The Northern Ireland Office is committed to giving talks the best chance of success but there is a realistic atmosphere among officials and the politicians involved – reflecting the difficulties, over apparently minor procedural points, that eventually wrecked the initiative last time.

The formula for the talks will be the same as that painstakingly worked out by Mr Peter Brooke, the Northern Ireland secretary who was dropped by Mr John Major after the general election.

The first "strand", chaired by Sir Patrick, would be on the internal government of the province. The second "strand" would be on relations between Northern Ireland and the Irish Republic and become the point at which Dublin entered the talks. Last time there were lengthy disputes over the location of the second strand and over who should chair it.

Sir Ninian Stephen, a former governor-general of Australia who eventually emerged as an acceptable independent chairman, is available again. However, it is uncertain whether the Rev Ian Paisley and Mr James Molyneaux, the two Unionist leaders, will allow the talks to proceed to strand two at the speed that is preferred by the nationalist Social Democratic and Labour Party.

The third, and final, "strand" would be on relations between the UK and Ireland and might lead to a replacement for the 1985 agreement.

New owners of European bring change of style

WHEN THE late Mr Robert Maxwell wanted to influence the direction of The European, he simply picked up the telephone – frequently.

On one occasion, Mr Maxwell even broke into an office after deciding he should become editor-in-chief and direct operations himself.

The new proprietors of the international weekly newspaper, Mr David Barclay and his brother Frederick, who own ships and hotels, do things differently.

Whenever they think it is time for a discussion about strategy or the future of the venture, they invite Mr Charles Garside, the editor, and Mr Alan Chamberlain, the managing director, for a good lunch in a top hotel in Monte Carlo, where they live.

Mr Garside, who at the beginning of January was not only editor but the only employee of the paper, said: "They read the paper from cover to cover and they have been delighted with the way the paper has been progressing."

Next month there will be small but sure signs of progress. The European will bring back Elan as a separate third section covering everything from arts to lifestyle, and start promoting the title again.

Last week the paper took on 18 people, half of them journalists, to add to staff of 50.

Circulation is believed to be starting to pick up and is between 150,000 and 200,000. The official circulation figure for the last six months of 1991 was 167,000.

"We gave an immediate guarantee that we were selling over 150,000 on the day we took over. We are doing better than that but it will be our policy to let the ABC [official circulation figures] speak for themselves," Mr Garside said.

He will not be drawn on how the paper is doing financially. Observers believe that before the threat of closure the paper was losing about £1m a month and is unlikely to be losing more than £1m to £2m a year now.

"It's the most exciting job I have ever had," said Mr Chamberlain, who has worked for the publicity-shy Barclays for about 10 years. "We are serious players and we are running a business. People are starting to feel comfortable dealing with us."

Raymond Snoddy

Gas consumers call for study of market changes

By Juliet Sychrava

MR Michael Heseltine, the trade and Industry secretary, is being urged by gas consumers to launch an investigation into recent changes in the gas market.

The Gas Consumers Council, which represents the UK's 17m gas users, says in its annual report today that it believes proposals by the Office of Fair Trading (OFT) for restructuring British Gas and creating more competition in gas supply might mean higher prices.

The reforms were agreed early this year after a long row between British Gas and the OFT. They compel British Gas to halve its share of the industrial gas market within three years and allow other gas suppliers to use its pipelines.

So far, British Gas has a monopoly on supplying domestic customers, although that will change. Oil companies and other gas companies already compete with British Gas to supply industrial consumers.

The consumers council report warns that there is a limited amount of gas in the UK market and more competition might force the price of this gas higher. It says that the effect of the far-reaching changes must be publicly examined from the consumers' viewpoint.

Sir James McKinnon, director-general of Ofgas, the industry's watchdog, said both domestic and industrial consumers would benefit from competition.

More competition would not change the balance of supply and demand, which he believed was quite adequate. Industrial consumers thatwere buying from suppliers other than British Gas were very satisfied, and had seen price cuts of between 7 per cent and 9 per cent.

Sir James added that Ofgas had introduced a tough new price formula that might force British Gas to cut domestic tariffs this year.

Low turnout at Scotland United rally

HEAVY rain yesterday caused a poor turnout at the second rally in Glasgow called by Scotland United, the movement formed after the election to campaign for a referendum on Scotland's constitutional future, James Buxton writes.

Although organisers had expected 10,000 people, only about 2,500 braved the rain. The movement's first rally attracted 3,000 to 4,000 people.

No party leaders attended, although a message of support was read out from Mr Alex Salmond, leader of the SNP.

Scotland United is a cross-party grouping set up by Mr George Galloway, Labour MP for Glasgow Hillhead, and other Labour MPs.

Equal opportunities campaign gains support

Staffing targets set to help women

By Mary Bogan

BRITISH companies are starting to set targets for the number of women being hired and promoted within their organisations, as a part of a general move to improve the lot of women at work.

The finding came from interviews conducted by the Financial Times with companies participating in Opportunity 2000, the campaign designed to help working women, which was launched six months ago tomorrow by Mr John Major, the prime minister.

More than 60 organisations signed up to the initiative in October and a further 350 contacted Business in the Community, the voluntary organisation behind the campaign, in the first month.

The issue of numerical targets for the employment and promotion of women has been been controversial among employers, and split the launch committee of Opportunity 2000.

Many companies feared numerical targets could be seen as tantamount to quotas. They argued this would imply positive discrimination and could lead to the kind of "male backlash" seen in the US.

Of the 16 big organisations interviewed, seven have introduced targets and six could not rule out introducing them. British Airways, British Rail, IBM, Lucas, Littlewoods, the National Health Service and Rank Xerox already had, or planned to have, some form of numerical goals.

Management: The campaign to promote women is slowly starting to deliver the goods Page 10

The six who said they would consider such a step if existing policies did not increase the numbers of women in management included Wellcome Foundation, Barclays Bank, Digital, Grand Metropolitan and ICI.

ICI and GrandMet said it was not appropriate to bring in targets at the moment because of the economic recession.

The companies which put targets in place argued they were essential if they were to ensure that their equal-opportunities policies were successful.

All companies in the initiative have taken some action to improve the lot of women since they signed up. The male-dominated Metropolitan Police pointed to a growing acceptance of equal-opportunities policies. Superintendent Peter Brandt, the Met's former head of equal opportunities, said: "Officers today have wives and daughters with professional careers so they understand the issues better."

However, some companies – including British Rail, GrandMet, Rank Xerox, and Barclays Bank – expressed concern that Opportunity 2000 may lead employees to think that women's interests were being pursued over those of disabled people or ethnic groups. But there was growing confidence among companies interviewed that they can persuade employees that equal opportunities is about removing barriers and not positive discrimination.

UK power station 'dirtiest' in Europe

By Juliet Sychrava

DRAX, a coal-fired power station owned by the privatised generator National Power was yesterday branded as the "biggest polluter in Europe".

This followed the first publication of government figures on the 20 "dirtiest" power stations in England and Wales.

Drax, a power station in Yorkshire, northern England, tops the list. It emits nearly 270,000 tonnes of sulphur dioxide and nearly 83,000 tonnes of nitrogen oxide – both gases that cause acid rain – every year according to the figures

"Drax is the biggest polluter in Europe," said Ms Fiona Weir, a campaigner with Friends of the Earth, the environmental lobby group.

FoE obtained the list of stations and their emissions from the Department of the Environment.

Twelve of the power stations on the list belong to National Power, and eight to PowerGen, the other big generator.

Emissions from the power stations should have been placed on a public register under the Environmental Protection Act of 1990, the government's flagship environmental legislation. But so far no stations have been registered under the act because of a bureaucratic wrangle between the generators and the Department of the Environment.

National Power said: "We are spending £700m on fitting cleaning equipment at Drax, and spending £1bn on clean gas-fired technology." The company said: "We are also importing low-sulphur coal."

National Power and PowerGen have appealed against some crucial information appearing on the register – which they are entitled to do under the act. The generators said they had no intention of concealing details of emissions from their stations.

"We are very happy for all information to be in the public domain," said Mr Ed Wallis, chief executive of PowerGen.

"But they asked us for the emissions for a year ahead. A competitor could have analysed them and deduced our fuel strategy, which would have been unfair."

Their appeal, which has gone to the Secretary of State, will be settled imminently, the department said.

FoE is keen for the appeal to be settled, so that it can begin to challenge individual stations' applications under the act.

Drax emits nearly 270,000 tonnes of sulphur dioxide and nearly 83,000 tonnes of nitrogen oxide every year

Britain in brief

Post Office offers 22-hour working week

A 22-hour working week, possibly the shortest for any group of full-time workers in British industry, has been agreed for some Post Office maintenance engineers.

Volunteers from among the 800 engineers will get Monday to Friday off in return for working up to 22 hours over the weekend.

A full week's pay at normal weekday rates – between £240 and £270 – will be paid for the weekend shifts of up to 12 hours for part of the year. The short working week, to be introduced as a pilot scheme, is designed to compensate for the unsocial hours.

Most manual workers still work 39 hours a week, although several hundred thousand in the engineering sector have recently won reductions to 37 hours. Few office employees work less than 35 hours.

When overtime is taken into account, British men work the longest hours within the European Community.

Offshore safety moves urged

Offshore oil and gas operators should be required to consult employee safety representatives, said the Trades Union Congress.

Under new Health and Safety Commission proposals – which follow the recommendations of the Cullen report into the Piper Alpha disaster in 1988 in which 167 men died – operators will have to prepare detailed safety cases setting out how they would deal with health and safety. Each case will have to be accepted by the Health and Safety Executive.

The TUC welcomed the proposed framework, but said those at the sharp end of industrial risk should have the opportunity to influence measures to protect them.

Call to extend levy 'holiday'

The government is under growing pressure to extend the "holiday" from stamp duty – the one per cent levy on house purchases – which is due to run out in mid-August, unless there is a clear revival in the housing market.

The decision to lift the point at which the levy becomes payable, from properties costing £30,000 to £250,000, was announced in December as part of a government package to help home owners.

Industries see slow recovery

By Peter Marsh, Economics Staff

THE BATTERED UK economy, like a hospital patient coming round from major surgery, appears to be heading for recovery. But the first steps are proving painfully slow.

In a signal that the recession, which started about mid 1990, might be nearing an end, a Gallup survey at the end of last week showed consumer confidence sharply higher since the April 9 general election.

Sectors such as TV advertising, recruitment and housing show signs of life, while over Easter many retailers reported buoyant sales.

In the past month, several surveys of business opinion have indicated increased optimism – a message likely to be echoed in the quarterly report on prospects for manufacturers by the Confederation of British Industry, which represents UK employer, out tomorrow.

Few people in business, however, predict a quick end to the country's longest recession since the 1930s.

Mr Peter Clappison, finance director of the BBA automotive parts group, said: "We are seeing greater optimism, but very little [in terms of extra UK orders] is coming through the door." Mr Cameron McLatchie, chairman and chief executive of British Polythene Industries, Europe's biggest maker of polyethylene film for agriculture, construction and retailing, said the order profile from customers remained "flat".

Several industry representatives said, however, they had seen signs of increased economic activity in recent weeks, some of it possibly helped by the removal of political uncertainty after the election.

Mr David Powis, director of the British Forging Industry Association, which represents 100 companies in areas such as cars, aerospace and mining equipment, said: "Over the past four to six weeks, member companies have been reporting greater levels of customer inquiries."

Mr Jim Winship, director of the Pizza and Pasta Association, which has 700 members in the food industry and catering, said: "Companies are behaving as though a recovery is going to happen, for instance by stepping up marketing support for their products and services."

Mr Ian McColl, finance director at plastic pipe and industrial equipment maker Victaulic, said: "The telephone is ringing more often. Since the election, our customers seem to have done more to crystallise their plans."

As for the business exhibitions industry, which depends for customers on a range of companies spread across manufacturing and services, prospects are brighter. Mr Bill Richards, of the Exhibition Industry Federation, said: "A year ago our members were moaning about the recession. Now they are finding customers are actually confirming plans for future events."

The harsh business climate has benefited one group of companies – insolvency practitioners. Even in that area, though, it is possible to find signs that the recession may be drawing to a close.

Mr Peter Phillips, a partner in Buchler Phillips, a leading insolvency practice, said many of the companies being put into liquidation were the result of bankers "clearing out intolerable debts in favour of more exciting projects".

He added: "We have been through the biggest boom in insolvencies for 30 years. But I feel the worst in terms of the state of the economy is behind us.

"We are starting to see money moving around again. I have a strong hunch that in a year's time things will be looking better."

Tony Andrews

Right connections: semiconductor manufacturers report a strong rise in orders and predict a shortage of supplies

Semiconductors sense a scramble

Michiyo Nakamoto finds an economic barometer registers optimism

THE semiconductors market, a barometer of economic activity, is showing such strong signs of a pick-up in demand that it may experience a shortage of supplies by the end of the year, according to leading semiconductor manufacturers.

In growing numbers, manufacturers in the UK report a strong surge in orders in the first quarter of this year.

"We have now come to the bottom of the semiconductor cycle," says Mr Raymond Ambrose, manager of marketing development and research at SGS-Thomson Microelectronics in the UK. "Recovery is under way and we are looking at 5 [per cent] to 10 per cent growth rates this year."

The growing demand for has been driven largely by new applications in the computer, telecommunications and automotive sectors.

Demand for semiconductors in the computer, or data-processing, sector has been driven by notebook computers and workstations rather than personal computers, says Mr Ken Sanders, Managing Director of Texas Instruments.

The US company has also seen a steady improvement in demand since about November, and the trend has continued into this year. In the first quarter, Texas Instruments' net revenue from UK businesses, of which semiconductors comprise about 60 per cent, has been the highest they have seen since the early 1980s, according to Mr Sanders.

In the telecommunications industry, demand is fuelled by growth in mobile communications. In the automotive sector, it is due to the consistent increase in the application of electronics in cars.

Motorola, the US group that has seen a month of record bookings and another month of record billings this year, believes it is seeing "a genuine increase in demand".

The pick-up is strong enough to support something in the area of 10 per cent growth in 1992, which it considers significant, considering the market was basically flat last year.

NEC, the Japanese group, reported that if its first-quarter UK revenue were annualised, it would show a better result than in 1988, when the semiconductor industry was at the top of its last high growth cycle.

The Electronic Components Industry Federation expects the automotive sector to show the strongest growth in semiconductor demand at 28 per cent this year and overtake the military sector in terms of the value of semiconductor sales.

Most manufacturers say that if the increase seen in the first quarter persists, the industry might soon see another year of high growth, repeating its historical boom-and-bust pattern. "I fully expect that we will go into another boom situation," Mr Ambrose says.

It will be a welcome break for the industry, which has seen demand and prices plummet in the past few years.

In 1991, the federation estimates, the sales value of semiconductors in the UK grew by just 0.8 per cent to £1.23bn from £1.22bn after a decline in the previous year of 5 per cent from £1.28bn.

Faced with sagging demand and collapsed prices, manufacturers have refrained from investing in new capacity. In certain areas, supply constraints are now appearing. "By the end of this year we could begin to see a bit of a scramble," Mr Ambrose says.

Exports seen to rally in spite of strong currency

By Daniel Green

UK EXPORTS will rise strongly this year in spite of high interest rates and the strength of sterling, a report published today by Oxford Economic Forecasting, a private-sector research body, says.

The group outlines three forecasts: low growth, in which consumers continue to save at the present rate; high growth, with a sharp swing from saving to spending; and a central case, which it prefers.

That, it says, would see growth consistentwith government predictions. UK gross domestic product should rise by 1per cent this year.

The report argues that, with the election past, the government's priority is the strength of the recovery rather than its timing.

There is therefore no need to cut interest rates quickly. Although that keeps sterling strong, it need not damage exports because labour costs should stay competitive over the next few years. With world trade rising, exports should grow by 4 per cent both this year and next.

A National Westminster Bank report at the weekend said the government had room for only a ½-percentage-point cut in rates. Further reductions depended on German rates.

The Oxford group's report tempers its confident tone by warning that consumers might continue to cut their debts for the next two or three years.

● Exporters in tourism, banking and other contributors to invisible earnings are confident that sales will grow this year. A survey of 80 exporters by A.T. Kearney, the management consultancy, found more than two thirds expecting an improvement in 1992. The Continentis the main market.

Credit loses appeal as joblessness rises

By Philip Rawstorne

CONSUMERS have become far more sophisticated in managing personal finances since the credit-financed consumer boom of the 1980s, according to a report published today.

The report by Verdict Research, a retail consultancy, says: "Credit has for the time being lost some of its attraction." Greater uncertainty about the future and rising unemployment have encouraged consumers to reduce debt.

New non-mortgage credit advanced in 1991 amounted to £52.1bn – a 3.6 per cent reduction in real terms compared to 1990. Loans outstanding at the end of 1991 amounted to £51.9bn – 4.8 per cent lower in real terms.

Yet those levels were the same, in constant prices, as in 1988. The report suggests: "This resilience in difficult times bodes well for an expansion of consumer credit boosting retail spending as the economic recovery gathers pace."

Consumers were increasingly using different forms of payment to avoid a build-up of debt. More were paying off credit-card balances in full monthly and debit-card use had risen sevenfold since 1989 to 330m transactions a year.

Bank credit cards more than doubled to nearly 30m during the 1980s, and annual transactions rose from 160m to 650m. An estimated 3m cardholders – mainly infrequent users – had abandoned their cards on the introduction of annual fees.

Card fraud cost £166m last year – 35 per cent more than in 1990.

How Britain Pays, 1992. Verdict Research, 112 High Holborn, London WC1V 6JS. £695.

Privatised port prepares for flotation

By Michael Terry

THE Port of Tilbury, privatised six weeks ago in a £32m management and employee buy-out, has announced plans to move to a stock exchange listing in five years.

Mr John McNab, the chief executive, said the port expected by then to have repaid the £20m lent by the National Westminster Bank towards the purchase from the Port of London Authority.

He said the port would concentrate on developing cargo feeder traffic with Continental deep-sea ports, building up its growing European cruise business and redeveloping excess land for a maritime business park

The port's prospects would be significantly strengthened, he said, by the freeport status it expected to secure this summer from Customs and Excise, allowing businesses to defer payments of VAT and customs duty on cargo brought into the port. Liverpool is the only other UK maritime freeport.

Of the £32m to buy the port, £11.9m was jointly invested by the port's management and the venture capitalist, Schroder Ventures.

Next month, the port's 900 employees will be invited to purchase further shares worth a total of £1.15m. Last week they were each given 135 ordinary shares free.

Mr McNab said the employees' share units would include preference shares which will be redeemed at the time of the listing. Tilbury managers have been pressing the port's case on Continental visits.

In the three years since abolition of the Dock Labour Scheme, Tilbury has moved from losses of £4.1m to a profit of £2.2m this year. Since 1989 the port has invested more than £11m in capital projects. Cargo volumes for 1991 totalled 5.9m tonnes. Mr McNab told a gathering of customers and port employees that the port expected to double its cargo handling capability to 15m tonnes by the year 2022.

He said the plans for regenerating the east Thames corridor recently proposed by Michael Heseltine when environment secretary would provide important new traffic for Tilbury. Construction materials for the predicted 700,000 new homes can be "imported in vast quantities" through the port, he said.

Michael Terry edits European Freight Management, a Financial Times newsletter.

Plants provide clues to preservation

By Philip Rawstorne

A CAMBRIDGE scientist claims to have discovered a means of preserving food and medicines by mimicking the ability of some plants to survive years of drought.

Mr Bruce Roser found that drought-resistant plants owed their abilities to a molecule called trehalose. Experiments showed that simply adding trehalose to a range of compounds enabled them to be dried out completely and then restored at will.

Trehalose works by maintaining the shape of molecules and preventing damage after their water content is removed, Mr Roser says. "It embalms them like amber traps insects."

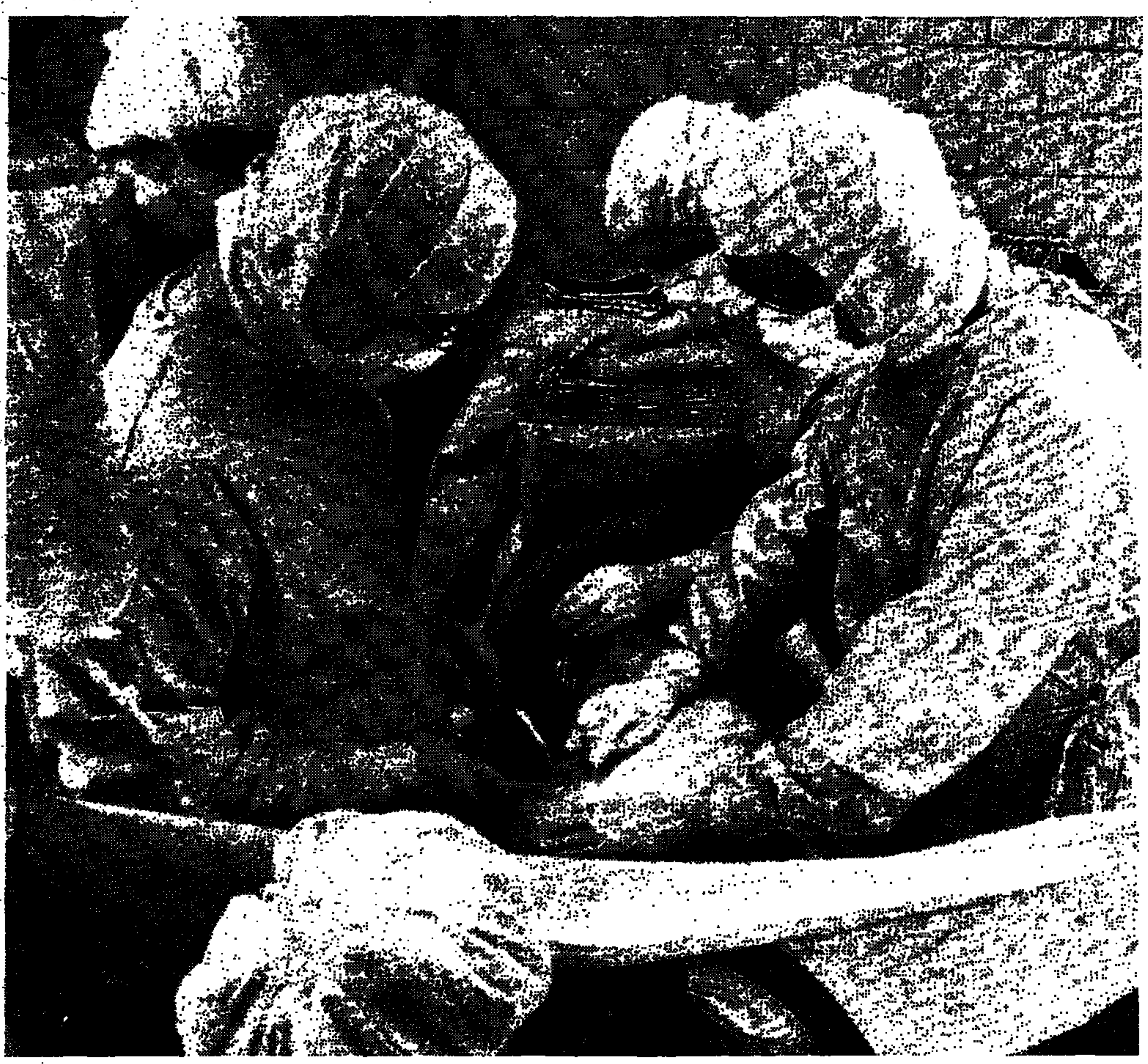
Quadrant, a company that he set up to develop his findings commercially, is negotiating with two Japanese food companies.

Apart from the preservation of food, the process might have many medical uses. Vaccines for use in developing countries, for example, need a costly refrigerated supply chain. The World Health Organisation has approached Mr Roser's company about the use of trehalose to enable vaccines to be dried and then made up on the spot.

Mr Roser and his colleagues also claim to have discovered the gene that instructs cells to produce trehalose naturally, opening the prospect of creating new varieties of drought-proof wheat and other types of crop.

Kevlar* for protection against injury. Sontara* and Tyvek* for protection against infection.

Every operating theatre contains a hidden risk – bacteria. They can jeopardize the most careful surgical work. Despite high standards of hygiene, painful, sometimes potentially fatal, wound infections still occur in more than 5% of all operations performed today. This conclusion was reached on the basis of investigations carried out in the USA.
On the other hand, surgeons are also at risk if, for example, they accidentally injure themselves with a scalpel while operating on an HIV-positive patient. In such cases the danger of infection is, naturally, high. Thanks to Du Pont's development work, however, we are now able to control these risks.



SONTARA increases hygienic standards.

SONTARA is a spunlaced fabric specially developed by Du Pont and consisting of a blend of polyester fibre and woodpulp. This fabric forms the basis for operating gowns and drapes available from manufacturers such as Mölnlycke and Baxter. Unlike conventional cotton operating gowns and drapes, SONTARA provides a considerably improved barrier against bacteria, a fact confirmed in a comparative test performed by Prof. Werner at the University Clinic of Mainz. Another advantage of SONTARA is that its special surface treatment is liquid-repellent. Consequently, surgeons and theatre staff are protected from germs transmitted through the blood. Moreover the use of SONTARA operating gowns and drapes means that 12 times fewer particles are released through linting than by conventional textiles. During surgery, such lint particles may act as a transmission medium for micro-organisms and result in infection. Non-wovens provide a higher standard of safety because they are less prone to damage during transit or washing which could put their sterility at risk. The use of SONTARA made it possible for instance, at the Duke University Medical Center in Durham, to reduce the post-operative infection rate from 6.51% to 2.83%. An increasing number of clinics in Europe are placing their trust in operating gowns and drapes made from SONTARA.

Sterile packaging made of TYVEK is tear- and puncture-resistant.

Tyvek for permanently sterile packs.
TYVEK is a spunbonded material made from microscopically fine, low-pressure endless polyethylene fibres. Its special properties make it ideal for sterile packaging: it is not only tear-and puncture-resistant, waterproof and lintfree, but also impenetrable to bacteria. Since the packs are heat-sealed rather that adhesive-bonded, they can easily be opened.
At the same time TYVEK is perfectly suitable for gas or gamma-ray sterilization which always takes place after closure. TYVEK's structure prevents bacterial penetration but allows gases to enter easily and escape again quickly.
That is why leading manufacturers of medical equipment, Abbott, Baxter, Fresenius and Viggo-Spectramed, for example, use sterile TYVEK packs to protect their products.

Kevlar operating gloves protect surgeons.
For the same weight, the para-aramid fibre KEVLAR offers five times the tensile strength of steel, and is flexible and cut-resistant. This fibre has enabled the most amazing developments in a variety of fields. Now it is also in use for medical purposes. A special manufacturing process is able to produce seamless operating gloves from KEVLAR. They represent a significant safety factor in respect to pathogens, in that they help protect the surgeon from accidental cuts. Even a scalpel, if used normally, is unable to cut through them. The disposable gloves, packed in sterile conditions, are purpose-designed for surgical requirements. They are worn between two thin Latex gloves. Unlike other types, these KEVLAR surgical gloves offer an important advantage, because they are so soft and flexible they do not limit the surgeons's dexterity and skill.
KEVLAR protective surgical gloves are already in widespread use in America. In addition to use by surgeons and their assistants, these gloves are also a valuable contribution towards the safety of dentists, accident and emergency personnel and to others in areas of risk.

Operating gloves made from KEVLAR reduce the risk of infection.

Du Pont innovations
SONTARA, TYVEK and KEVLAR are developments of Du Pont's Engineering Fiber Systems, as are NOMEX*, TEFLON*, TYPAR*, CORDURA*, ZEMDRAIN* and high tensile stength NYLON. These products never cease to create new potential in a variety of areas ranging from household applications to space travel. Du Pont is one of the leading research-oriented companies in the world; in Europe alone, it employs 21,000 people and has already invested DM 35 billion.

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Du Pont Engineering Fiber Systems. Develop with us.

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DU PONT

MANAGEMENT

An opportunity not to be missed

Mary Bogan finds that the campaign to promote women is slowly starting to deliver the goods

When Opportunity 2000 was launched last October, some people scoffed, saying that this new campaign to help working women was mere window dressing. Others applauded, arguing that it proved employers had at last accepted that women faced problems at work, and had decided it would be in their best interests to do something about it.

John Major, who launched the scheme with such razzamatazz six months ago tomorrow, may feel he has done his bit by picking two women for his new cabinet. But what have the 61 companies who joined the scheme achieved?

The Financial Times has interviewed more than a quarter of the campaign members, chosen at random, to discover whether they are living up to the promises they made in October. The interviews reveal a great variety of approach, but suggest equal opportunities is being taken increasingly seriously.

Very broadly, the companies divide into two groups. In the first are organisations which have already done a great deal for their female employees. The foundations for cultural change have been in place for some time: over the last six months, these companies have been developing, extending and adding to existing policies. This group includes the Wellcome Foundation, the Metropolitan Police, BT, J Sainsbury, Barclays Bank, British Rail, IBM and Littlewoods.

The second group have had more fundamental work to do in building their policies. These companies include Digital, Rank Xerox, Lucas, Grand Metropolitan, ICI, the National Health Service, Glaxo and British Airways.

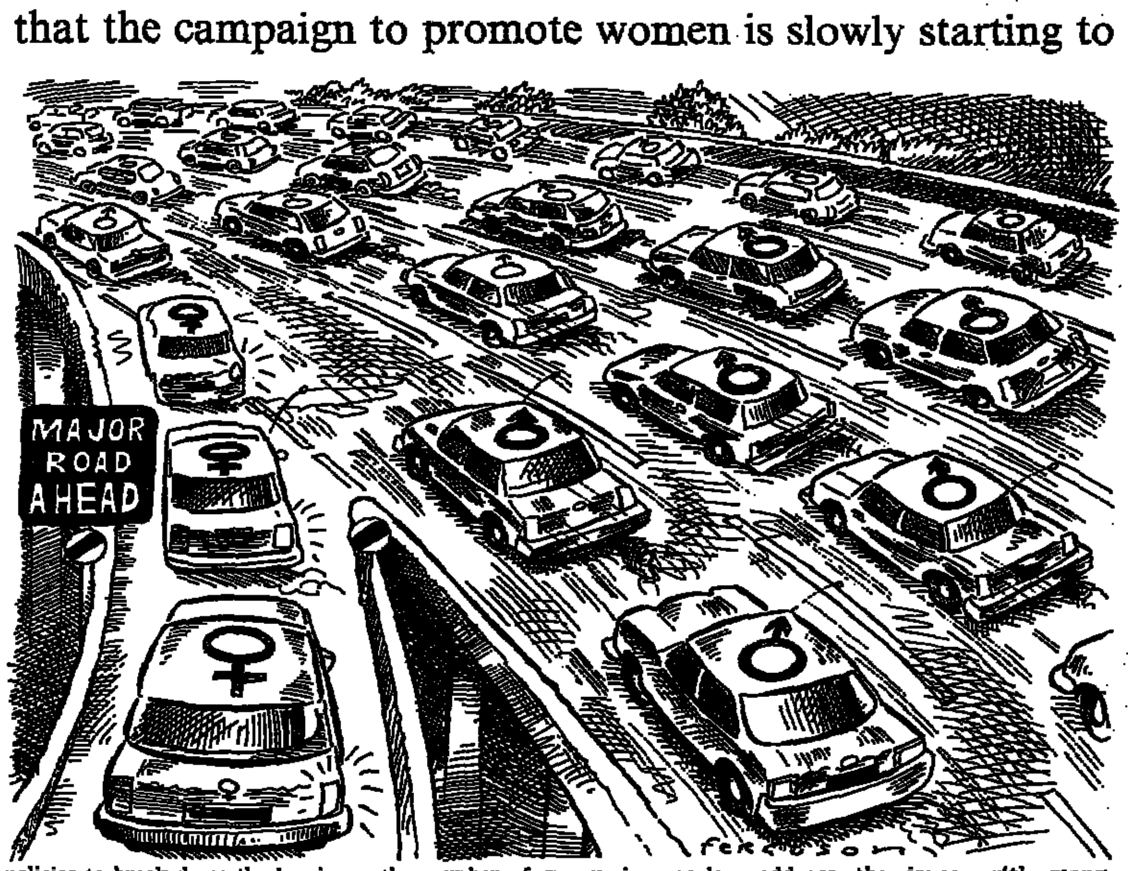
All of this second group have looked at their existing equal opportunities policies and decided to go back to basics. This has meant devising new strategies, establishing where women are in their organisations and discovering what impedes their progress. It has also meant making sure that line managers are committed to cultural change, and setting up monitoring systems to track results.

Digital, for example, has put in place an Opportunity 2000 steering team whose first job is to understand where the barriers to women lie. Rank Xerox has introduced a new, "positive" equal opportunities policy, developed with the help of employees. It is currently building equal opportunities into performance and business appraisal. ICI, meanwhile, has been developing a monitoring system to track the changes in the female workforce by function, grade and division.

At Lucas and GrandMet, the most important area of work has been to make sure that middle managers are commited to change. Both are taking great care to impress the business reasons for change on their managers; GrandMet is organising awareness workshops for its top 250 managers worldwide.

A quite different line has been taken by another decentralised, global company, Glaxo. Equal opportunity is one of Glaxo's corporate values, but it is left to each business, acting in "enlightened self-interest", to implement it. The problem is that change is not consistent throughout the group, and some parts have proved slow on the up-take. Glaxo has therefore decided to monitor the initiatives centrally to see if a more co-ordinated approach might be better.

Meanwhile, all the companies interviewed have been working on policies to break down the barriers to recruitment and promotion of women, and to make it easier for them – and for some men – to combine a career with a family.



In the first category, BT is examining ways of training women to increase their chances of becoming managers. British Rail is setting new recruitment targets to increase the number of women in a male-dominated company; Barclays is reviewing its selection of high-flying employees, and women's access to training generally. GrandMet is insisting that headhunters include the name of at least one high-calibre woman on all short-lists.

As for career and family, all companies interviewed have tried to address the issue, with many introducing or extending flexible working arrangements. Most companies see this as the most economical answer to the childcare issue. At British Airways, flexible working makes it easier to serve customers outside the normal nine-to-five day, while ICI reports pleasing results from job-sharing, saying it has made its workers more committed and has been cost effective.

Flexible working seems to be what women themselves want, as it keeps up their confidence and skills. A number of companies have started offering career breaks to part-timers and Rank Xerox guarantees part-time work to women returning from maternity leave.

Littlewoods is the only company with firm plans to open a workplace nursery while Barclays is offering a "responsibility break" allowing men and women caring for sick, old or disabled people to take up to six months off work. It is also trying to upgrade the status of part-time work, by giving its part-timers the same benefits – on a pro rata basis – as full-time employees.

The very existance of these changes does not prove that Opportunity 2000 is working. Indeed companies could simply be making changes to their policies that they would have made anyway.

But all those interviewed said the campaign had given a new focus to their plans and increased their awareness of the issues. Those directly responsible for equal opportunities said the campaign had made their jobs easier, helping them get through to the board and line management.

Most companies also thought the campaign had helped develop a more strategic approach and had taught them more about best practice in other organisations.

A few went further and pointed to the beginnings of cultural change in their companies. ICI, for example, said men who turned down overseas jobs for family reasons were no longer ridiculed, while Lucas said women were becoming more assertive in asking for the working arrangements they wanted. BT says that women are slowly stopping behaving like surrogate men.

These are early days for Opportunity 2000. Although the first signs are encouraging, it will be some time before the long-term success can be measured. One test will be whether the women themselves feel more valued. So far, only a few companies are planning to measure their policies this way. The second test is in the numbers – how many women are actually making it to more senior jobs?

To measure this, many campaign members are relying on existing monitoring mechanisms. However, the problem with monitoring is that it will only tell you if there are, say, more female middle managers in finance. It will not say whether the increase is good, bad or indifferent.

A better approach, adopted by seven of the organisations interviewed – including the NHS, British Airways and Littlewoods – is to estimate in advance the degree of progress. These companies argue that such goals are important for bringing about, as well as measuring, change.

Other companies fear that employees may mistake goals or estimates for quotas. GrandMet, ICI and Digital say that goals are irrelevant in a recession, as recruitment has come to a standstill. However a further group of companies is considering setting goals for the future.

Whether the companies set goals for internal use, most Opportunity 2000 members are presenting a vague face to the public. Most of the goal statements issued at the launch lacked rigour and detail.

It seems that companies may be ready to start changing their policy. Whether they are ready to do so under full public scrutiny is another matter.

Consensus triumphs over greed

Andrew Fisher says that top salaries in Germany are fat but not fanciful

Germans regard the fuss about top people's pay as a phenomenon of the free-wheeling Anglo-Saxon business world. In the US and Britain, they argue, attention is paid more to individual than to team effort. Also, in the US and UK there is greater concentration on short-term performance than on long-term consistency. For most German companies, quarterly reports are anathema.

Salaries in Germany are certainly high, but they are not outrageous by international standards. However, it is sometimes hard to tell quite how high they are. German companies do not give details of individual executives' pay, providing only a total for all directors, so salary levels can be only estimated.

Probably the highest paid executive in Germany is Mark Wössner, the self-assured head of Bertelsmann, the media group.

Bertelsmann's annual report for 1990-91 gives a figure of DM24.6m (£8.40m) for management board pay, an average of around DM2.4m for each director. Taking the rough rule of thumb that the chief executive receives up to 50 per cent more than the others, Wössner would have earned DM3.5m.

This would put him well ahead of other German high-earners like Eberhard von Kuenheim of BMW, Edzard Reuter of Daimler-Benz, and Carl Hahn of Volkswagen, all of whom are likely to have comfortably exceeded DM2m.

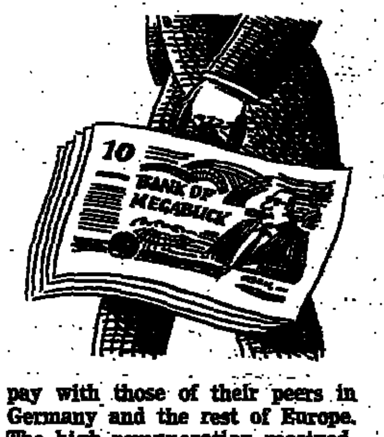
Bertelsmann operates a formula intended to keep managers on their toes and reward them well for entrepreneurial drive. Their pay is divided into three components: one part fixed, one part relating to group performance, and the third depending on profitability of the director's division.

Bertelsmann differs from other big German companies in two important ways. It is not quoted and, because it comes under the press and publishing law, its board structure is relatively unrestrictive.

Indeed, the make-up of German boards is one reason that excesses are foreign to managers. The non-executive supervisory boards, which set the level of executive pay, usually have an equal number of shareholder and labour representatives. Heinz Evers, a director of Kienbaum, the German management consultancy, reckons this "acts as a moderating element".

So does the presence of ministers or civil servants in companies where the state has a stake. Below the top companies, he says the usual pay level for a chief executive is DM400,000, about a third of which is performance-related or dividend-linked. "This is good when compared with, say, a professor or civil servant. They don't expect to be millionaires so they are satisfied."

Executives tend to compare their pay with those of their peers in Germany and the rest of Europe. The high remuneration received, for example, by a Michael Eisner of Walt Disney – exceeding $10m – would be regarded as provocative.



Also, a German executive can mostly expect a position for life: he is not likely to be thrown out if short-term goals are not met. After retirement, pensions tend to be generous.

The German attitude towards pay is in line with the corporatist approach in German industry. Executives trying to buck the trend would stand out from the crowd.

Tax treatment of executive compensation is also fairly rigid. Hence, unlike the US, stock options are not part of top managers' packages. Not only does the stock market play less of a role in German business life – many top and middle-ranking concerns are not quoted, or only partially – but there is no tax advantage for options.

PEOPLE

Flying higher

Anthony Bolton, one of the most well-known aviation brokers in the London market, is taking a step up the ladder at CT Bowring, the UK subsidiary of the world's biggest insurance broking group, Marsh McLennan.

Bolton, now 49, has been appointed chairman of Bowring Worldwide Insurance Brokers, the Bowring subsidiary that handles wholesale non-marine insurance business (placing business in the London and other insurance markets on behalf of retail brokers).

Bolton, who has spent most of his working life with Bowring, was one of a number of brokers to pioneer the insurance of satellites in London in the early 1980s.

Bowring has also appointed Norman Waite a director of its marine reinsurance broking subsidiary, while Roland Seul, a managing partner of Gradmann & Holler, Marsh & McLennan's German subsidiary, has been appointed a director of Bowring Marsh & McLennan.

■ Sir Max Williams has been appointed non-executive deputy chairman of Royal Insurance, the troubled UK insurance company. Sir Max, now 66, is a former senior partner of Clifford Chance, and a past president of the Law Society. He is also a director of 3i, the company chaired by Royal's chairman, Sir John Cuckney. Sir Max replaces Sir Anthony Tuke, who retired last week.

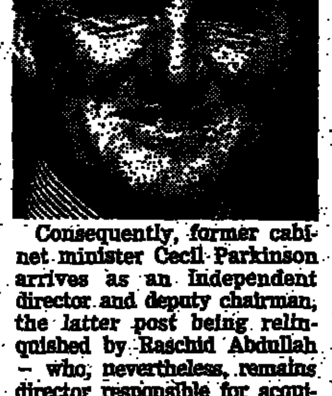
Sir Anthony (below), chairman of the Savoy Hotel, is a former chairman of Barclays Bank and of RTZ; he joined the Royal board in 1978 and has been deputy chairman since 1985.

Cecil Parkinson joins Starmin

The Abdullah brothers, Raschid and Osman, learned a salutary lesson about what can happen in public companies even when you own significant chunks of them.

They were ousted at the beginning of 1989 from Evered, the quarry and building products group which they had turned into an aggressive mini-conglomerate; now they are determined to do things differently.

With the combined family holding of the Abdullahs' new vehicle, quarry products company Starmin, standing at around 17 per cent, and the ability to grow further increasingly dependent on outside shareholders, the time has come to appoint another non-executive director, in addition to chairman Owen Rout, and a finance director.



Consequently, former cabinet minister Cecil Parkinson arrives as an independent director and deputy chairman, the latter post being relinquished by Raschid Abdullah – who, nevertheless, remains director responsible for acquisitions and strategy.

At the same time Barry Croucher, for many years financial controller at Evered and who moved over with the Abdullahs, is promoted to the board as finance director. Starmin did not have a finance director as such previously.

Of Parkinson, Raschid Abdullah calls him "quite an able businessman. We don't want figureheads just to make the Christmas tree look good". Parkinson was a non-executive director of Tarmac and the family business he ran before entering politics was in the building sector; he is also a qualified accountant.

"I have known Cecil for five or six years," adds Abdullah, apparently not put off by the fact that the introduction was made by Roy Kettle, once at Tarmac, who took over as chief executive of Evered when the brothers were ousted.

■ Rod McMillan, a director of ISA International, the Bradford-based distributors of computer supplies, is leaving the company after nine years. He is 38 and has been a director since 1987; he was recently in charge of the division which sells computer supplies to the end-user market, accounting for about one quarter of the operation.

Chairman John Parkinson declined to comment on the reasons for his departure, saying only that it was unconnected with the company's or the division's performance. "It is the result of ongoing discussions," he said, refusing to elaborate.

■ Steve Davies, finance director of HALMA's Apollo Fire Detectors subsidiary, is also appointed finance director of Halma's security division.

■ David Mason has been appointed production director of DEWHURST on the retirement of Neville Turner.

■ Eric Connor, a director of NEI Reyrolle Protection, has been appointed director of resources of NORTHERN ELECTRIC; David Pearson, retailing manager of Midlands Electricity, is appointed md – retail at Northern Electric.

■ Tony Drew has been promoted to divisional director of engineering at FOSTER WHEELER Petroleum Development. Gareth Attwood has been appointed director of engineering of Foster Wheeler (Northern); he moves from Davy McKee.

■ Charles Follows, formerly a fund manager at Pyrford International, has become a director in CONRAD RITBLAT's investment department.

Keele professor wants to lessen 'the procedure in accountancy'

Richard Wilson, the 45-year-old new professor of management and accounting at Keele University, likes waving his right arm in the air. "It works very nicely, but it would not be much good if you chopped it off."

This is his way of emphasising the interdisciplinary approach he wants to build up in the new department of management – recently spun off from economics and management sciences – which he will also be running, in the first instance for three years.

Training students to be financially literate rather than churning out accounting technicians is one aim of a professor who, although a qualified accountant, is much more interested in stopping gifted students going into the profession for the wrong reasons.

Indeed, his current research is into the occupational psychology of financial careers. "Accountancy is massively oversold. The big firms do not know what they are looking for, nor do the students." Still in the middle of the research, he mentions one trait – tolerance of ambiguity – that emerges as essential in a profession that he says is quite wrongly seen as heavily procedural.

Starting off in industry and still retaining a string of consultancies, Wilson's own experience ranges from working on a World-Bank-sponsored project teaching managerial skills in the Egyptian public sector, to making MBA courses at Nairobi University relevant to east African businessmen. He also happens to have four degrees – in social research, economics, management and sociology/technology.

Wilson arrives at Keele after a very short stay as professor of management control at Queen's University, Belfast – an appointment that, because of the terms and conditions, did not work out, after he had been head-hunted from the Nottingham Business School.

ARTS

Architecture

Five hundred years of careful growth

The college of the Blessed Virgin Mary, St. John the Evangelist and the Glorious Virgin St. Radegund is better known as Jesus College, Cambridge. When the college was founded in 1496 by John Alcock, Bishop of Ely, he took over the convent buildings, including the priory church which was begun in 1150. Jesus College is fortunate in having a site that is extremely spacious – the five courts are surrounded by generous gardens and playing fields. Large trees add to the park-like atmosphere and there is a homogeneity about the mainly brick buildings, although the college's architectural history is long and complex.

The first glimpse of the college from Jesus Lane is an intriguing one – trees seen over old brick walls, the square tower of the chapel looking almost like a parish church, and then the slender opening that leads to the narrow entrance path, known as "the chimney". This is the main pedestrian approach, usually lined with abandoned bicycles, ending at the Tudor gatehouse.

It is one of the simplest and best gatehouses in Cambridge, dating from around 1500 and looking at its most romantic when the college flag is flying from the battlemented top.

Once a visitor has passed through the gatehouse into first court, one of the architectural conventions of the college is immediately apparent – the three-sided court: first court, second court, chapel court, and north court are all open on one side. This makes the college seem fluidly connected to its parkland and gardens and adds an intensity to the experience of the fully enclosed, four-sided cloister court. The north side of the original cloister was the refectory of the convent and is now the college hall. There are some fine Early English gothic arches that remain in the cloister from the original Chapter House.

The simple brick three-storey ranges typify the Jesus style and different architects at different periods have added buildings in a careful and coherent way. Alfred Waterhouse (of Manchester Town Hall, the Natural History Museum and the Prudential in London's Holborn) added the north range of the second court in 1870 and managed to be disciplined by the convention of low-key brick walls, adding only a slight touch of flamboyance with an asymmetrical tower and spire. In the 1920's and 1930s the architect Morley Horder added connected ranges around the southern end of the chapel court.

Jesus College: Another court will be built for the quincentenary of its founding in 1996.

Horder (1870-1944) is an almost forgotten contemporary of Sir Edwin Lutyens, who is best known for his traditional country houses, particularly in the Cotswolds and Dorset. He was renowned for his Bohemian appearance and for designing a modest house for Lloyd George, but he should be re-examined as he was a master of materials and built, like Lutyens, at a time when English craftsmanship was still practised and taught. He also built Westcott House in Cambridge and the National Institute of Agricultural Botany – an exercise in the Wren manner. His substantial group of stone Italian Renaissance buildings for the University of Nottingham are his best known works.

In the 1960s the college added a large new court by the Cambridge architect David Roberts, with student rooms arranged on an echeleon plan to maximise sunlight. It is in a different tradition from the rest of the college and only its distance from the older buildings renders it acceptable.

Recently the college announced that it planned to build a new court to commemorate the quincentenary in 1996 of its foundation. The site was selected to the south of the Morley Horder neo-Tudor buildings on what is now a car park and part of the Master's garden.

The college, advised by the architect Fellow, Nicholas Ray, prepared a master plan and embarked on the delicate procedure of choosing an architect. A committee of twelve, chaired by the Master, Lord Renfrew, considered 30 or so firms and reached a shortlist of eight. Great care was taken, and the eight firms were interviewed in their offices. Then selected buildings by four of the original eight firms were visited and finally two were chosen to prepare sketch proposals for the development.

Selecting an architect is a difficult business and the college procedure seems to have been exemplary. The two firms finally chosen to compete were Edward Cullinan and Partners and Evans and Shalev. Interestingly, the two were briefed together and then paid a reasonable sum to prepare schemes that had to be presented to the college and the whole fellowship. There was a clear majority of Fellows in favour of the Evans and Shalev scheme.

Evans and Shalev are now best known for their law courts at Truro (winner of the Financial Times Architecture Award) – a fine contemporary building that is very sensitive to the townscape and context of Truro. They also won the competition to design the Tate Gallery in Cornwall that is under construction on a sensitive and important site in St. Ives. Their scheme for Jesus College is first class and promises to add a very distinguished new court to the college.

It deals with the difficulties of the historic context in a sensitive way. The designers have sensed the architectural atmosphere of the college and followed the language of well-proportioned windows in substantial brick walls which are trimmed in real stone. There are pitched roofs behind parapets that align in height with the rest of the college. These architects understand appropriateness – designing what is fitting for the context but with a strong character of its own.

There are three phases of the proposed development: firstly a new college library and computing centre, secondly some 60 residential rooms, and thirdly an auditorium to seat 200 with associated music teaching rooms. Limited funds at present have meant that the architects have had to produce designs that allow for a phased development and also for the unlikely possibility that some phases may never be built.

The library will be built first. It has a formality and dignity that suits its purpose as well as subtle and potentially beautiful lighting effects from the unusual windows and vaulted ceiling. The circular top-lit stair is reminiscent of the similar space at Truro, where it is a great success.

As the college has gone to such trouble to find good architects who have prepared a sensitive and effective design for a difficult site, it is much to be hoped that benefactions will soon be found to build the entire new court to as high a standard as possible. What better way of marking five hundred years of careful college growth on this beautiful Cambridge site?

Colin Amery

Opera North/Leeds

The Thieving Magpie

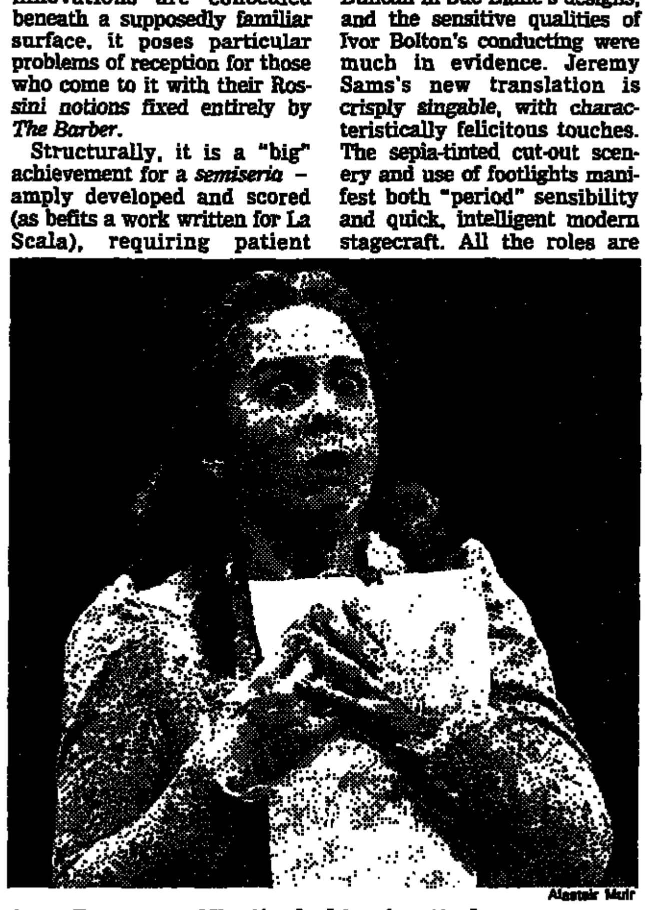
Opera North celebrate the Rossini bicentenary with the new production of a work especially dear to all Rossinians. *La gazza ladra*, a *semiseria* opera, is pastoral in convention, radical in approach to that convention. In its treatment of a historical case of social injustice – a servant-girl condemned to death for stealing cutlery actually filched by a tame magpie – it moves with unflinching steadiness from innocent domestic comedy to dark tragedy.

The opera is not the less powerfully affecting for adhering to the intimate confines of the *semiseria* tradition. On its own it should have put paid to the durable "lazy Rossini" calumny once and for all. But like all masterpieces of art whose innovations are concealed beneath a supposedly familiar surface, it poses particular problems of reception for those who come to it with their Rossini notions fixed entirely by *The Barber*.

Structurally, it is a "big" achievement for a *semiseria* – amply developed and scored (as befits a work written for La Scala), requiring patient unfolding, delicate characterisation, singing at once emotionally expressive and freely virtuosic, and a producer's ability to phase the movement toward tragedy. For all these reasons, *La gazza ladra* is given far less often than it deserves: this production is the first in Britain since ENO's of 1978.

Gratitude to the company is therefore unfettered – but not blind. Opening night did not, I feel, entirely rise to the occasion. That may well happen during the run; on Friday the throat infections of two leading singers, Andrew Shore as the villainous Mayor and Matthew Best as the heroine's much-tried father, must surely have left their mark.

Already the ensemble virtues of the production, by Martin Duncan in Sue Blane's designs, and the sensitive qualities of Ivor Bolton's conducting were much in evidence. Jeremy Sams's new translation is crisply singable, with characteristically felicitous touches. The sepia-tinted cut-out scenery and use of footlights manifest both "period" sensibility and quick, intelligent modern stagecraft. All the roles are aptly acted; in a marvellously rounded portrayal of Victorian values in action – which includes, of course, the sexual harassment of servant-girls – Mr Shore proved the evening's star in spite of vocal vagaries.



Alastair Muir

Anne Dawson as Ninetta: lacking in attack

But during the evening I came to sense slightly less complete trust in the work's inherent vitality than I expect from an Opera North show. Damagingly heavy cuts have been made to the score. The production opens with comically dancing servant-folk and closes with an ill-advised infusion of late 20th century psychodrama: the heroine Ninetta, fatally undone (in Mr Duncan's eyes) by her trials, goes bonkers during the opera's final strains of happy-ever-after music. Good "political" insight, bad production idea.

In between, certain episodes were handled with superb economy. What was missing on Friday was an overall security of tone – and, to be tactlessly frank, a sufficiently vigorous display of Rossini singing skills. Banishing the memory of Della Jones's 1978 ENO Ninetta, I still found Anne Dawson lacking in attack, sharpness of delineation, forwardness of tone. Her characterisation, so seriously and gracefully undertaken, can be deemed "English" in both the good and less good connotations of the epithet.

Ditto the gentle, musicianly Pippo (one of opera's great pants parts) of Elizabeth McCormack, and too many smaller roles undersung; Arwel Huw Morgan's ripe Fabrizio is an honourable exception. The Giannetto of Barry Banks, an excellent high tenor, is particularly ill served by the cuts. On Friday the promise of the show was never fully realised. But subsequent performances may well tell a different tale – and the opera itself is a wonder.

Max Loppert

Leeds Grand Theatre; in repertory until May 9, then on tour to Nottingham, Manchester, Leeds and Sheffield

Theatre in London

White Woman Street

The Bush and the Irish have done it again. Sebastian Barry's *White Woman Street* is little more than talk, but it goes down very well on the tiny Bush stage that always manages to look bigger than it is.

The setting is Ohio 1910 and, Barry being an Irish playwright, it is of course Easter. White Woman Street is the name of a town where there was once the only white whore for 500 miles around. Legend has it that she was revered like a saint; the Indian whores were not a patch on her and it was said that sailors preferred to lie with a dolphin rather than touch the Indian women.

Trooper O'Hara visited the white woman some 20 years ago only to find an Indian in her place. It is widely believed that he murdered the Indian, although we learn later that she was a virgin who slit her own throat. Trooper (Jim Norton) is now on his way back to the town with a bunch of fellow drifters. They are also going to rob a train.

Nothing much happens. The men talk, sleep and do a rather effective mime of riding across the Ohio landscape – a striking set designed by Kendra Ullyart. There are a mixed bunch, as big a racial mix as you can get in a quintet, including a black, a Russian whose mother was Chinese, and Blakely, the Englishman who came from Grimsby. Trooper himself came from Sligo. The only other character is the fairly westernised Red Indian barman.

As an exercise in anti-climax, the build-up to the train robbery is cunningly done. We do not see it take place and are left to assume that the robbers have been fought off. Trooper emerges blood-stained, and dies thinking of Ireland. That is about it.

The satisfaction is in the dialogue and the playing. Barry establishes a remarkable camaraderie between the diverse drifters. It is sentimental, as when talking about memories of Easter, but not displeasing. It shows wildly different people co-existing together and putting up with each other's moods. George Irving's Blakely perhaps stands out, but you can admire the group as a whole. The play is directed by Caroline FitzGerald, who specialises in Irish work. It is no more, and no less, than a good Irish tale.

Malcolm Rutherford

Bush Theatre, London W12, (081) 743 8388. Moves to Peacock Theatre, Dublin, May 21

Jordan

Matthew Arnold used to advise against literature which presented suffering unalleviated by incident. *Jordan* at the Lilian Baylis Theatre challenges Arnold: a dramatic monologue based on the life of Shirley Jones, the woman who killed her son, Jordan, was acquitted of murder in the winter of 1987, and took her own life on the day she was released from court. This makes grave and compelling theatre.

If Anna Reynolds' stage-writing debut seems over-emphatic, it is everywhere blessed with a superb, strong performance from co-writer and solo actor Moira Buffini as Shirley. She has enough self-consciousness to know her own desperation and enough madness to self-destruct; and she has the intelligence to puncture her environment. Also, Fiona Buffini's directing is meticulous.

The action takes place in a cell *beneath the crown court, and flicks* backwards, like some *film noir*, into Shirley's past: childhood in Morecombe, motherhood in Portsmouth, remand in Holloway.

Gradually, the details of Shirley's deprived existence emerge. A violent father gives way to a savage, promiscuous boyfriend who beats both Shirley and their baby. When the boyfriend leaves, she takes to prostitution, turning nights with clients into fluffy toys for Jordan.

Out of money, and in desperation, she smothers her child and attempts suicide; unfortunately she survives to face the rigours of the legal system.

Then follow the psychiatric ward and *the court scenes – played from an* oversized chair – which manage both pain and wit. The prosecutor declaims, "She thinks psychiatrists are a load of crap . . . She is definitely fit to plead."

Everywhere the play exalts the ordinary in Shirley's home, the patterns of survival, in prison the patterns of privilege. Real community exists only in the maternity ward.

As a women's play tackling women's issues, Jordan needs more acuity; as a play about imprisonment, this is powerful and knowing. Jordan is never enjoyable, but always challenging and *often enlightening. Remember this is a* true story: Shirley Jones' wonderful bravery deserves to be seen.

Andrew St George

Lilian Baylis Theatre (071 837 4104) until 16 May

BBC Radio 3/Renaissance Theatre

Hamlet

Hamlet turns a new face to every decade, Peter Hall said. Kenneth Branagh's Hamlet face we have seen. In this recorded production, which he has co-produced with Glyn Dearman for the Renaissance Theatre Company in collaboration with the BBC, his face is immaterial; it is his voice that counts. He could not give a like performance on stage; the soliloquies, for example, are private, for his own satisfaction (and of course for ours). He is an assortment of people – a confident young prince, a tearful mourner of his dead father, a seriously affectionate suitor of Ophelia, a know-it-all amateur actor, a deadly fencer. One thing he never is, whatever he may say: he is not mad.

Simple to make Richard Briers's Polonius think so. He is a credulous old thing, though his advice to Laertes, wiser than often thought, is wisely impounded. Derek Jacobi's Claudius, not much older than his stepson (who is thirty), is too actively intelligent to be taken in by such foolery; his rejected repentance is particularly good. It is easy to persuade Gertrude, (Judi Dench, ideal) that if her beloved son behaves other than she is used to there must be something wrong with him. Ophelia (Sophie Thompson) is never bright enough to know.

On Hamlet's own side we have a sharp Horatio (Michael Williams), and a sympathetic Fortinbras from James Simmons. Bernardo and Marcellus, officer-class sentinels, are only too ready to swear silence when the Ghost's voice threatens from below, for the Ghost is John Gielgud. "More of a voice than a character," Sir John says, yet he effectively mixes anger and indignation, even in his few lines in Gertrude's closet.

It is great to hear the text as it might have been composed in Shakespeare's mind, with no secondary concern for scenery or costume or period. The text is the complete First Folio with the accepted additions from the good Quarto, and it plays about three and three-quarter hours, with brisk delivery and comparatively little time given to sound effects.

Ophelia speaks, not sings, her mad songs; if this is to save time, Patrick Doyle's long *intermezzi* might have been truncated instead, comely as they are. Listening with the text in my hand, I noted a good many minor errors, unless they were editorial changes – worst, when Laertes (James Wilby), threatening to charge Hamlet "Thus diest thou", said "Thus didest thou", something quite different.

B.A. Young

BBC Radio 3, 26 April. Also published as a Random Century Audiobook, on CD or cassette.

INTERNATIONAL ARTS GUIDE

TODAY'S EVENTS

■ BARCELONA

Gran Teatre del Liceu 21.00 Kathleen Kuhlmann in Steffen Piontek's Dresden production of La Cenerentola. Repeated on Thurs and Sun. Sat: song recital by Frederica von Stade (412 1466)
Palau de la Musica 21.00 Tokyo String Quartet plays works by Schubert, Britten and Beethoven. Wed: I Musici. Fri, Sat, Sun morning: Barcelona City Orchestra (268 1000)

■ BERLIN

Philharmonie 20.00 Claudio Abbado conducts the Berlin Philharmonic Orchestra and choirs in Schoenberg's Gurrelieder, with soloists including Cheryl Studer, Siegfried Jerusalem and Brigitte Fassbaender. Tomorrow: Thomas Zehetmair is violin soloist with the Ensemble Oriol (West Berlin 2548 8232)
Schauspielhaus 20.00 Petr Altrichter conducts the Berlin Symphony Orchestra in a suite from Janacek's Cunning Little Vixen, Richard Strauss' Violin Concerto (Ulf Hoelscher) and Dvorak's Eighth Symphony, repeated on Wed (East Berlin 2090 2267)
Deutsche Oper 20.00 Song recital by Gwendolyn Bradley. Tomorrow: Gwyneth Jones sings Tosca. Wed: Madama Butterfly with Catherine Malfitano. Thurs: ballets by Michael Clark, Stephen Petronio and Bill T. Jones. Fri: Lohengrin. Sat: Bejart's Ring Round the Ring. Sun: first night of new production of L'Italiana in Algeri (West Berlin 3410 249)
Komische Oper 19.00 Eine Nacht in Venedig. Tomorrow: Theo Adam is soloist in an orchestral concert. Thurs: ballet triple bill. Sat and Sun: ballet by Birgit Scherzer (East Berlin 2292 555)

■ GENEVA

Victoria Hall 20.30 Eliahu Inbal conducts the Orchestre de la Suisse Romande in Dvorak's Cello Concerto (Steven Isserlis) and Bartok's complete Miraculous Mandarin, repeated tomorrow in Lausanne and on Wed in Geneva. Fri: Franz Welser-Most conducts the Lausanne Chamber Orchestra in music by Schoeck, Henze and Haydn (292511). Tomorrow, Wed, Thurs at Carouge: Compagnie Mario Marchisio in Offenbach's La belle Hélène (786 5545)

■ HAMBURG

MUSIC
Tonight at 20.00 in the **Musikhalle,** Gerd Albrecht conducts the Hamburg State Philharmonic Orchestra in Haydn's C major Cello Concerto (Heinrich Schiff) and Bruckner's Seventh Symphony, also tomorrow. The repertory at the **Staatsoper** includes a mixed bill of ballets by Balanchine, Neumeier and Antony Tudor on Wed, Das Rheingold on Thurs and Sun, Carmen on Fri and Ariadne auf Naxos on Sun (351721)

■ LONDON

Covent Garden 19.30 Richard Buckley conducts a revival of John Copley's production of L'Elisir d'amore, with Sumi Jo, Paolo Montarsolo and Alfredo Kraus. Runs till May 9, with next performance on Fri. Tomorrow and Thurs: Kenneth MacMillan's Manon. Wed and Sat: Prokofiev's Fiery Angel (071-240 1066)
Royal Festival Hall 19.30 Yehudi Menuhin conducts the RPO in symphonies by Schubert and Dvorak, plus Elgar's Sea Pictures with Yvonne Howard. Wed: Ornette Coleman jazz evening. Thurs: Jane Glover conducts the London Mozart Players. Fri: Charles Mackerras conducts the LPO. Sat: BBC Symphony Orchestra. Sun: Walter Weller conducts the Philharmonia. Fri and Sun in **Queen Elizabeth Hall:** Opera Factory in Monteverdi's Poppea (071-928 8800)
Barbican 19.45 Carlo Maria Giulini conducts the Orchestra of La Scala Milan in Beethoven's Third and Eighth Symphonies. Tomorrow: Mozart's Mass in C minor. Thurs: Michael Tilson Thomas conducts the LSO. Fri: Chamber Orchestra of Europe. Sat: Purcell's The Fairy Queen (071-638 8891)

■ MADRID

Teatro Lirico La Zarzuela Placido Domingo sings Figaro in performances of Il barbiere di Siviglia tonight and on Thurs (429 8225). Tomorrow and Wed in **Auditorio Nacional de Musica:** Yuri Temirkanov conducts the St Petersburg Philharmonic Orchestra (337 0100). Wed in **Teatro Alfil:** flamenco programme with Enrique Orozco and Paco Antequera (521 4296)

■ MILAN

Teatro alla Scala 20.00 Song recital by Felicity Lott and Ann Murray. The next opera production is Lucia di Lammermoor, opening on May 8 (7200 3744)

■ MUNICH

MUSIC
Staatsoper 20.00 Michel Plasson conducts the Bavarian State Orchestra in Fauré's Pelléas et Mélisande, Ravel's G major Piano Concerto (Jean Philippe Collard) and Franck's D minor Symphony, repeated tomorrow. Wed: Tosca with Anna Tomowa-Sintow and Peter Dvorsky. Thurs and Sat: Werther with Baltsa and Araiza. Sun: Le nozze di Figaro (221316)
Herkulessaal der Residenz 20.00 Piano recital by Annie Fischer. Tomorrow: Cherubini Quartet (299901)

■ MUNICH BIENNALE

The third Biennale, devised by Hans Werner Henze and devoted to new music theatre, opens on Thurs at the **Gasteig Philharmonie** with a concert performance of Jorge Liderman's new opera Antigona Furiosa. On Sat, the **Gärtnerplatztheater** stages Oliver Knussen's two operas Higgelty Piggelty Pop and Where the Wild Things Are. There are daily events till May 30 (48098 614).
● Theatre and concert tickets are available at Konzertkasse Beck at the Beck department store floor 4 at Marienplatz 11.

■ NEW YORK

DANCE
Metropolitan Opera 20.00 American Ballet theatre production of Giselle, also tomorrow and Wed. Thurs: Romeo and Juliet. ABT season runs till June 20 (362 6000). New York City Ballet appears Tues to Sun in **New York State Theater** (870 5570). Fri, Sat, Sun in **City Center:** Ecole du Ballet de l'Opera de Paris (239 6200)

■ PARIS

Châtelet 19.30 Pierre Boulez conducts Peter Stein's WNO production of Pelléas et Mélisande, also Wed. Thurs: Marek Janowski conducts Schoenberg, Berg and Brahms (4028 2840)
Opera Bastille 19.30 Ion Marin conducts Roman Polanski's production of Les Contes d'Hoffmann, also Wed and Sat. Tomorrow: song recital by Frederica von Stade (4001 1616)
● Other events this week include a concert performance tomorrow of Handel's Giulio Cesare in the Palais Garnier (4017 3535) and a performance of Mahler's Second Symphony conducted by James Conlon on Thurs in the Theatre des Champs-Elysees (4720 3637).

■ VIENNA

Staatsoper 18.30 Der Rosenkavalier. Tomorrow: Tosca. Wed and Sun: Elektra (Behrens). Thurs: Romeo and Juliet ballet. Fri: Fidelio. Sat: La forza del destino (51444 2960)
Musikverein 19.30 Heinz Wallberg conducts the Tonkunstler Orchestra in works by Rossini, Schubert, Korngold and Strauss. Wed and Thurs: Russian programme with the Vienna Symphony Orchestra (505 8190)
Konzerthaus 19.30 Hagen Quartet plays Bartok and Beethoven. Tomorrow: concert performance of Janacek's Osud. Wed: Peter Schreier sings Britten's Serenade. Thurs: Slovak Philharmonic Orchestra (712 1211)
● Telephone tickets for the Staatsoper, Volksoper and Burgtheater are available worldwide for holders of credit cards by ringing Vienna 5131 513

European Cable and Satellite Business TV

(all times CET)

MONDAY TO FRIDAY

CNN
2000-2030, 2300-2330 World Business Today – a joint FT/CNN production with Grant Perry and Colin Chapman

Super Channel
0830-0900 (Mon) FT East Europe Report – weekly indepth analysis from FTTV
2130-2200 (Tues) Media Europe – what's new in European media business
2130-2200 (Wed) FT Business Weekly - global business report with James Bellini
0830-0900 (Thurs) Media Europe
2130-2200 (Thurs) FT Eastern Europe Report
0830-0900 (Fri) FT Business Weekly

Sky News
0130-0200 (Mon), 2130-2200 (Thurs), 0530-0600 (Fri) FT Business Weekly

SATURDAY

CNN
0900-0930 World Business This Week - a joint FT/CNN production
1900-1930 World Business This Week

Super Channel
1930-2000 FT Eastern Europe Report

SUNDAY

CNN
1030-1100, 1800-1830 World Business This Week

Super Channel
1800-1830 FT Business Weekly

Sky News
1330-1400, 2030-2100 FT Business Weekly

FINANCIAL TIMES
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Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700
Monday April 27 1992

Isolating Serbia

THERE IS now a very broad international consensus that Serbia bears the largest share of responsibility for the fighting in Bosnia-Hercegovina, and that the man who can stop it, if anyone, is the Serbian president, Mr Slobodan Milosevic.

That should not be taken as implying that Serbia alone is to blame. Croatia, though publicly supporting Bosnia's independence and territorial integrity, appears to be playing a double game which will allow it either to absorb the whole republic into some kind of anti-Serb confederation or, if that fails, to annex the areas of western Hercegovina and northern Bosnia which have a substantial Croat population. And even the Moslem president of Bosnia-Hercegovina, Mr Alija Izetbegovic, has recently shown signs of reneging on his previous moderation, by speaking of a Moslem republic rather than a multinational one.

The Serbs, for their part, do have some valid arguments. In refusing to let the issue of independence be settled by majority vote they are invoking precisely the same logic that was used against them when they suggested a nationwide referendum to settle the fate of Yugoslavia. In such cases a vote proves only that one community is larger than the other.

Nor is it true that Mr Milosevic is in complete control of their actions. As in Croatia, much of the actual fighting is being done by irregular forces with no clear chain of command. The federal army, many of whose officers are themselves Bosnian Serbs, is certainly not neutral, but it does not fully control the local commanders; nor is it directly answerable to Mr Milosevic.

Small enclave

What clearly is true, however, in spite of his denials, is that many of the irregular forces do emanate from Serbia, and that they have embarked on a strategy of evicting the Moslems from the towns of eastern Bosnia, until all of them are bottled up in a small enclave around Sarajevo.

The international community is casting around for ways of convincing the Serbs that this strategy does not serve their best interests. Military intervention on the ground is most unlikely and in such a complex situation would almost certainly do more harm than good – though the option of an air strike should be kept in reserve to deter the federal airforce from intervening. The main focus for the time being is on ways of isolating Serbia.

The only European state which seems intent on thwarting this, and thereby encouraging Serbia in a self-destructive policy, is Greece. This is to be explained partly by solidarity among Orthodox Christians, but more particularly by a shared hostility towards independent Macedonia.

Self-defeating policy

Trapped by an inflamed public opinion and a demagogic opposition, the Greek government is looking increasingly foolish, and isolating itself within the EC. It is very unwise to brush aside the explicit renunciation of territorial claims which Macedonia has written into its constitution, and thereby to undermine the political standing of the moderate and statesmanlike Macedonian president, Mr Kiro Gligorov. Moreover, its blockade of Macedonia has the effect of cutting the overland route by which Greek goods reach central and northern Europe, and many European tourists reach Greece. There could hardly be a more self-defeating policy.

Greece's attitude makes it unlikely that an oil embargo on Serbia would succeed, since oil can reach Serbia through the Greek port of Salonica. Nor can sanctions do much more damage than has already been done to the ruined Serbian economy.

In adopting any such measures foreign governments must not lose sight of the objective, which can only be to make the Serbs reflect seriously on the future they are building for themselves: a future in which they would have to reckon with the irreconcilable hostility of their neighbours, whose territory would be crowded with refugees demanding the restoration of their homes. Even now a political agreement, under which the Serbs of Bosnia would agree to support and participate in an independent Bosnian government while retaining links with their kith and kin in Serbia proper, offers a far more hopeful prospect.

A strategy on asylum

FOR ALL their local difficulties caused by economic slowdown, the rich industrialised countries are now, more than ever, havens of peace and stability for fugitives from troubled parts of the world. Even a recession-hit island cannot insulate itself from the trend. Britain registered 45,000 applications for political asylum last year. Although making up less than 10 per cent of all asylum requests in western Europe, the UK figure was 10 times as large as in 1988.

The British government saw a political need for action. Last November it set out legislation to toughen significantly the conditions for foreigners requesting refugee status. After the Asylum Bill ran into a torrent of criticism from churchmen, lawyers and the United Nations, the government toned down some aspects, and then abandoned efforts to push the legislation through parliament before the general election.

This was a wise decision. An attempt to rush through the measure, ignoring objections that it was neither just nor practicable, would have looked like crude expediency.

When the bill makes a renewed appearance in the Queen's Speech on May 6, the government can make maximum use of the calmer post-election atmosphere. It should take full account of criticism that the bill, particularly by greatly restricting appeal procedures, could have turned away refugees with a genuine case for protection from persecution. Only then will parliament be able to vote through new measures with a clear conscience.

Backlog of cases

There is no doubt of the general need throughout the west for measures to improve screening of asylum applicants and speed up processing. Britain has a backlog of 60,000 undecided asylum cases. This not only clogs up the system, but also prevents attention being focused on the most vulnerable. Bureaucratic inefficiency has provided loopholes for unscrupulous applicants to request asylum in several different names, enabling them to lodge multiple claims for social security benefits.

To combat fraud and speed verification of claims, the Home Office has increased its processing staff 12-fold since 1988. Tighter administrative procedures since last autumn have already had a substantial effect in reducing abuse. As a result of closer checks into bogus asylum requests, the government now admits that last year's figure of 45,000 applications was inflated.

Over-recording

The full extent of the asylum "phantoms" is not yet known. But a drop of more than half in the number of UK applications in the first three months this year gives an idea of the scale of last year's statistical over-recording. Had the government this spring pushed through an unnecessarily draconian bill on the basis of application figures now known to have been exaggerated, the result would have been a travesty.

As it is, the government now has the opportunity to think again before a new bill becomes law, either in the autumn or in summer next year. There is a strong case for western governments to harmonise regulations for dealing with asylum-seekers. The feature of the Asylum Bill allowing introduction of finger-printing – in line with the position in all EC countries except Ireland – is clearly sensible.

If asylum is to be preserved, its credibility must also be maintained. For this reason, those seeking a better economic life must be distinguished from those motivated by fear of persecution, however arbitrary that distinction may sometimes appear.

But for economic refugees, too, a policy will have to be found, one that allows at least some immigration. More important, however, is the need to give hope to people in the places where they now live. If western governments are unwilling to open the door to goods from developing countries, they are likely to face flows of people instead.

A more generous economic policy would be thrice blessed: it would enrich those who offer greater opportunities for trade; it would enrich those who receive them; and, by alleviating poverty, it should also help reduce the political instability and oppression that creates seekers of political asylum.

The big squeeze in Japan

Companies face a series of challenges in a changing economy, says **Stefan Wagstyl**

The recent turmoil in the Tokyo stock market heralds profound changes in the Japanese economy. Companies fear that the decline in the Nikkei average indicates something far more serious than a cyclical slowdown. They are bracing themselves for changes as far-reaching as those caused by the two oil shocks of the 1970s and the rapid rise of the yen in the mid-1980s.

As Mr Takeshi Nagano, chairman of Keizaidoyukai, the employers' organisation, said in an interview recently: "The stock market is weak because everything is so unclear. The Japanese economy is not weak but its future is very fuzzy. It's difficult to form a consensus about what to do."

The main challenge facing business is the increase in capital costs, which followed the collapse of the financial boom of the 1980s. Other difficulties include growing labour shortages, spreading deregulation and the rise of protectionism in the US, the largest buyer of Japanese exports. Moreover, urgent economic reforms that might stimulate growth are being delayed by government inaction, including the further liberalisation of agriculture, transport and land-use laws. After nearly 40 years in power, the ageing ruling Liberal Democratic Party is losing its vigour.

Faced with the prospect of retrenchment, many Japanese executives are considering a switch from high-volume/low-margin production, which has served Japan well since the Second World War, to a low-volume/high-margin strategy.

Japan has the capacity to implement reform, not least because of the skill of its workers, the capital reserves of its manufacturing companies and the healthy state of government finances. Moreover, companies may have the time to make changes because many of their foreign rivals are facing difficulties caused by the global recession.

The most sudden challenge to arise has been the increase in the cost of capital. In 1989, equity-linked funds cost less than 1 per cent. Even bank borrowings cost blue-chip borrowers less than 4 per cent. Today, equity fund-raising is hard, and commercial loans cost about 6 per cent. Also, weighed down by bad property loans, banks' capacity to lend is shrinking. Industry has not yet felt the pinch, because the economy is slowing, but a recovery could end prematurely in credit shortages. Mr Akio Morita, chairman of Sony, the electronics group, said: "The basic problem for Japanese industry is the difficulty of financing."

While investor sentiment will ebb and flow, the shift in capital costs seems permanent, since it results partly from the financial deregulation of the past decade. The post-war financial system was designed to channel low-cost funds to big industry, at the expense of individuals and small companies. Liberalisation of interest rates has given investors the power to demand market rates for their money.

Companies also face labour shortages. There are 125 jobs on offer for every 100 job seekers. As the population ages, the number of people of working age will start falling from 1996. Working hours are also being reduced from an average of 2,050 in 1990 to a target of 1,800. Labour-saving equipment will lessen the impact, but the upward pressure on wage costs will not ease.

Business is also being hit by a shortage of land. The cost of land has forced Tokyo-based Nissan Motor, for example, to build its latest factory in distant Kyushu, in southern Japan. In spite of the recent sharp price falls, many businesses cannot afford to buy land in Tokyo or Osaka.

Japanese companies used to respond to domestic pressures by boosting exports, sometimes dumping goods on world markets at below-cost price. Today, this practice is much more difficult. With protectionist sentiment growing in the US and Europe, the Ministry of International Trade and Industry has been pressing companies to limit export growth. Last month, for example, carmakers were forced to accept a sharp cut in the ceiling for exports to the US. Expanding Asian markets will absorb some products – but not high-value, high-price consumer goods destined for industrialised countries. The strength of the yen, supported by continuing current account surpluses, will further squeeze export growth.

Companies would like to rely more on domestic growth. But the prospects have been dimmed by government inaction on the removal of regulatory constraints. Land reform is long overdue: in Tokyo, there are still acres of urban farms, thanks to tax laws which favour using land for crops instead of buildings. Farm trade liberalisation, including the opening of the rice market to imports, is even more urgent. By reducing retail food prices, reform could create new demand for manufactured goods. The Japanese spend 32 per cent of income on food, compared with 19.5 per cent for Americans.

The LDP-led government lacks the will to act, however. Two years ago it watered down a land reform bill and is now hesitating over rice imports.

Pressure from this combination of constraints on capital labour and demand is forcing companies to adopt varying strategies. The pressures on profits are severe in the principal international industries, particularly carmaking. Auto companies believe the Japanese market may have reached saturation – like the US and parts of Europe. Developing countries will require more cars, but not the high-cost, high-margin models sold in the industrialised world. Some of Japan's 11 vehicle makers may not survive the decade. "We are at a structural turning point for the next one or two years," said Mr Yoshifumi Tsuji, president of Nissan Motor.

Electronics makers are still counting on future expansion, notably in office and factory automation. But in consumer products, the industry has yet to find a hit to follow the video recorder. The mass commercialisation of high-definition television seems remote, with the cheapest individual sets priced at Y1m (£4,200). Smaller consumer electronics specialists face grave difficulties, notably the loss-making Sansui. Even Sony suffered an operating loss for the year to March 1991, its first as a listed company.

It is wrong, however, to generalise. Even within the more hard-pressed industries some companies, such as the cash-rich Toyota Motor, feel little pressure from rising capital costs. Whole industries remain buoyant, such as shipbuilding, owing to orders for big tankers. Consumer services, including travel, theatres and restaurants, are still expanding.

Nevertheless, overall retail sales are slowing and earnings declining. Profits have fallen by an estimated average of 15 per cent in the year to March 1991 for companies included in the Nikkei index, and could drop a further 10 per cent this year.

The first step for companies is to respond to the cyclical part of the slowdown. Production is being cut; price-discounting is rampant; entertainment, advertising and travel are being slashed. Directors are submitting to pay cuts of up to 35 per cent.

Capital spending is falling. Sony, for instance, is cutting investment in the year starting this month by Y160bn to Y280bn. Even research and development spending, precious seedcorn for Japanese groups, is being trimmed. Hitachi says R&D spending will be held at last year's level, which means a decline in real terms. Smaller companies are making big cuts: at Ascii, a software publisher, long-term R&D has been shelved. However, many businessmen believe these short-term measures will not be enough to cope with an expected long-term slowdown. "I'm planning for a seven-year recession," said Mr Kazuhiko Nishi, Ascii's president.

Some companies are taking increasingly far-reaching action. Steelmakers, for example, are reconsidering diversifications: Kawasaki Steel is contemplating reducing investment in ceramic products. Similarly, companies are questioning the merits of direct investment overseas: the total fell by 35 per cent last year to $31.2bn. It will decline further as companies complete projects started in the late 1980s – such as Toyota's UK assembly plant – and postpone new ones.

Equally important are efforts to raise profitability in mainstream businesses by curbing waste and upgrading products. Matsushita Electric Industrial, the electronics company, said: "We are shifting from volume to quality. This is not a temporary move but a permanent one." Matsushita, among others, is also cutting model ranges. An official said: "The Japanese television industry produces 300 models. Only 100 can be displayed in the shops. Only 10 sell well. We can cut this waste without affecting customers."

There are also the first signs of corporate consolidation. The Nihon Keizai Shimbun, the business daily, recently published a list of 31 mergers, mostly of companies already in the same industrial grouping, or keiretsu. The deals cover everything from oil distribution to stainless steel.

Do all these changes presage a permanent revolution in Japanese corporate behaviour, or are they temporary responses to changing circumstances? The answer is that individual industries and companies will move at different speeds, but none can fully escape the emerging constraints on growth. The chase after sales seems certain to give way to a pursuit of profits.

A taste of the future could lie in the industry most exposed to changing capital costs – banking. Japanese banks have been forced by the erosion of their capital base to abandon their former hunt for market share in favour of boosting margins. In international markets, the Japanese share of new credits to non-bank companies has fallen from 46 per cent in 1985-89 to 5 per cent in 1989 to mid-1991, according to the Bank for International Settlements.

In manufacturing, too, senior businessmen have begun to contemplate the need for radical reform. Sony's Mr Akio Morita earlier this year called on companies to accept that growth had limits and urged giving back more to employees, shareholders and society – which means earning higher profits and distributing bigger dividends.

The appeal caused widespread controversy. Mr Yotaro Iida, the chairman of Mitsubishi Heavy Industries, commented that traditional Japanese capitalism had strengths as well as weaknesses.

Fundamental change will take time – "10 or 20 years", said Mr Takashi Ishihara, Nissan's former chairman. Even Mr Morita has said that his arguments should not be taken as an indication of Sony's policies, only as a discussion agenda.

However, if the current pressures imposed by the capital markets persist – as seems likely – the priority on profit could become permanent. As Mr Richard Koo, an economist at Nomura Research Institute, an affiliate of Nomura Securities, said: "Being a famous name will no longer be enough if a corporation cannot come up with the goods and offer shareholders a decent return."

George Graham on the state of America's infrastructure

Flood pumps up fears of urban disintegration

When a quarter of a billion gallons flooded out of a damaged tunnel into the basements of downtown Chicago recently – shutting down offices, department stores and futures exchanges alike – many city managers held their breath.

Was this the latest, most devastating manifestation of the fissures opening in America's ageing urban infrastructure – after the collapse of the Mianus River Bridge on the Connecticut Turnpike that killed three motorists; after the cracking concrete that forced the city of New York to shut down its Williamsburg bridge in 1988; after the rupture of a 36-inch water main that flooded four blocks of central Washington earlier this year?

For those who have long complained of the dwindling flow of federal money for urban investment projects, the Chicago flood seemed an omen of potential disasters in store for other cities, even though the particular circumstances of the accident had little direct relevance to other cities.

"My judgment is that you can find in almost every major American city that this [infrastructure] is close to crisis," says Dr Robert Wood, a professor at Wesleyan University and former secretary of housing and urban development under President Lyndon Johnson.

But advocates of increased public investment have been crying wolf for a long time now, and warnings tend to fall on deaf ears.

Total public spending on infrastructure in the US has declined steadily as a proportion of gross national product, from 3.6 per cent in 1960 to 2.6 per cent in the mid-1980s, according to statistics compiled by Apogee Research, a Maryland organisation that specialises in the sector.

The effects of this decline in spending appear to show up in reviews of the physical condition of existing infrastructure. The US government says 22.6 per cent of the nation's 576,508 bridges have structural deficiencies, and in New York state the proportion rises to is 61 per cent.

Sewers built 80 or 100 years ago in east-coast and midwestern cities are near or past the end of their normal life, while lead waterpipes need replacement. Population growth has brought many roads to saturation point, and heavier-than-expected traffic has shortened the life expectancy of the road paving.

Looked at another way, however, the picture is less depressing. Over the same 25-year span in which infrastructure spending has fallen in relation to GNP, according to Apogee, annual infrastructure spending has increased by more than 50 per cent in constant dollars, and has kept pace with population growth, remaining remarkably steady at about $400 a head.

Mr Richard Mudge, Apogee's president, warns that engineering-based assessments of the need for infrastructure investment, such as surveys of structurally deficient bridges, can be misleading. "It used to be in the early 1980s that everybody who wanted to invest in infrastructure did needs studies – they went out and counted potholes. But that misses the original motivation for infrastructure investment, which they recognised in the 19th century, which was that it is a vehicle for growth," he says. "Assessing physical condition is important, but you must then step back and see whether you need that road or that bridge."

Mr Joseph Casazza, who has been public works commissioner for Boston since 1968, says he believes his city is doing reasonably well in keeping its capital stock in shape. "There's no question I have concerns, there's no question the city is old, but I don't perceive a public safety problem where we are going to have to close a bridge or something," he says.

Boston's bridges, however, are Mr Casazza's biggest worry. "A lot of them are 85 years old, a lot have come to the time when they should be replaced," he says. One bridge, built in the days when the vessels passing underneath were 60 feet wide, spans a 100-foot channel. Today, new vessels with double hulls to guard against environmental disasters are 95 feet wide, and can barely squeeze through.

Like other forms of public spending, however, investment in infrastructure is suffering from a tight fiscal squeeze. The federal government, with an expected deficit of $400bn this year, has cut back on its grants to states.

The states themselves have almost all faced their own fiscal crises in the last two years, and are passing on to their cities a smaller portion of the money they receive from the federal government. "In the last couple of years, states have done a lot of temporary budget cuts. There is now a realisation that we have a fairly long-run structural fiscal problem," says Mr Raymond Scheppach, executive director of the National Governors' Association.

This fiscal strait-jacket is unlikely to be loosened in the near or medium term. City managers know that they will have to continue to survive on limited budgets. As Boston's Mr Cassaza says: "When it's a public safety issue, you don't have meetings and write memos, you just go out and fix it, and somehow you find the money."

Improving skills at the workplace and in schools requires funds and flexibility, say practitioners. **Andrew Adonis** and **Lisa Wood** report

Lessons to be learnt in vocational training

In the scramble to boost opting-out of schools and tighten up further on trade union law, Mr John Patten and Mrs Gillian Shepard, the education and employment secretaries, could lose sight of an urgent national priority: high-quality training and vocational education.

Almost half of 16-year-olds currently leave full-time education; even the most ambitious growth figures for the next decade still leave one-quarter out of the system. In any case, for many of those that stay on, schools and further education colleges, largely concerned with entry to higher education, have little to offer. The 20 per cent A-level failure rate is their grim statistical memorial.

Many of those going straight to work at 16 have fared little better. By European standards, Britain's training regime is poor, with nothing comparable to Germany's "dual system" of work-plus-training.

The response of the last Thatcher government was to hand training over to employer-led Training and Enterprise Councils (Tecs) while seeking to improve work-related skills among pupils and young employees. Serious problems are evident on both fronts.

On the schools front, two state-funded initiatives – "Compacts" and the Training and Vocational Education Initiative (TVEI) – have made a mark. Sixty-two Compacts arrange agreements between employers and pupils under which an employer undertakes to offer a job with training – or training leading to a job – in return for the pupil performing to an agreed standard. TVEI provides funding – about £20,000 per school – for secondary schools to develop links with business and foster vocationally oriented studies.

Schools are concerned that funding for both schemes – totalling £125m in 1992-93 – is due to be withdrawn over the next few years. Some Compacts face the prospect as soon as next April: by then they are supposed to have gained sufficient private funding to sustain themselves, but few are likely to have done so.

Improving links between the worlds of school and work is one thing: ensuring that pupils leave school with – and/or subsequently secure – vocational qualifications another.

Last year's white paper on education and training gave prominent billing to the latter. A single system of national vocational qualifications (NVQs) covering 80 per cent of the workforce is to be accredited by the National Council for Vocational Qualifications (NCVQ) by the end of this

Schemes seek to improve pupils' work-related skills

year. And a new stream of "general vocational qualifications" (GVQs) will be introduced, offering a vocational route through the sixth form or further education colleges.

NCVQ and the three main providers of vocational qualifications – RSA, City and Guilds and the Business and Technician Education Council (BTEC) – look set to meet the deadlines. But the challenge to turn the results into a successful vocational system remains considerable in three respects:

Will employers treat NVQs and GVQs with respect – or as courses for A-level 'drop-outs'?

● **Parity of esteem.** Will employers and universities treat NVQs and GVQs with respect – or as second-rate courses for A-level "drop-outs"? Much depends on the quality of the new two-year GVQs – five varieties of which (for business, manufacturing, art and design, health and social care, and leisure and tourism) are to be piloted in 100 centres this year, and offered generally next. There is widespread concern at the emphasis on the "testing competence" approach, and on the haste of their introduction. NCVQ is due to review the pilots at the end of this year, when they will have been going for only a matter of months. "It could be the seven-year-old tests all over again: chaos, followed by endless revisions," says one insider.

● **Changing horses.** Once the new qualifications are up and running, most state funding will be tied to them alone. Tecs and Scotland's Local Enterprise Companies (Lecs) will be virtually obliged to fund only NCVQ-approved courses. It is vital, therefore, that the new structure "takes off", for whether it does or not the existing range of qualifications will be drastically curtailed. Not all the omens are good: BTEC expects 270,000 first-year students this September, its highest number ever – yet some employers are expressing disquiet at the content of new courses.

● **Vocational qualifications in schools.** As yet only 137 schools offer the BTEC first diploma (equivalent to GCSEs) and a mere 40 the National (equivalent to A-levels).

Not until NVQs and GVQs are as common as A-levels in schools can the reforms be judged a success. This is not just a matter of overcoming parental and professional prejudice: schools will need fresh facilities, and extra staff and training for existing teachers. None of this will come cheap.

Injecting NVQs into Youth Training (YT), the scheme for 16-19-year-olds, and Employment Training, the programme for unemployed adults, is the responsibility of the new Tecs.

The original targets set by Sir Norman Fowler, the architect of Tecs when employment secretary, were ambitious – by 1996 more than 80 per cent of 16-19-years-olds were to have achieved an NVQ at level two, equivalent to four GCSEs. Sir Norman's successor, Mr Michael Howard, revoked such targets. The Confederation of British Industry has resurrected them, but only as voluntary targets.

Tec funding for YT and ET is linked to a complex formula, which takes no account of these voluntary targets. Many Tecs complain that their three-year corporate plans, which included strategies for working towards the targets, are ignored by government.

Instead the government, for a second year running, has cut in real terms their budgets for YT and ET. Tecs, in turn, are cutting the amounts paid to training providers. Training organisations, which include charitable providers, claim many of them could be forced out of business.

Many Tec chairmen fear training and the acquisition of qualifications will suffer seriously under the cuts. Mrs Gwynneth Flower, chief executive of Central London Tec, says: "There comes a time when cutting back on the price must have an impact on the quality of training and the attainment of qualifications. I believe we at Centec have got to that point now."

Tecs argue that government must either increase funding or enhance their flexibility in offering training programmes. According to Mr Peter Clarke, chairman of North and Mid Cheshire Tec: "Funding has now dried up, and if we don't get fresh flexibilities we might as well pack up." His Tec questions, for instance, why adult training is tied into long-term unemployment and is not available to individuals immediately after redundancy.

Mrs Shepard is unlikely to grant such flexibilities unless Tecs fight hard for them. Whether G10, the group of chairmen which represents the Tec movement to government, can fight hard remains to be seen. Mr Edward Roberts, chairman of G10, says: "Politicians should decide what they are voting this money for ET and YT for. Is it to take people off the unemployment register or to create a better pool of skilled labour?"

OBSERVER

End of a family affair

■ If Barclays' chairman, Sir John Quinton, has been told by his board of directors to give up his job, then the episode is more than a little ironic. He has done more than any of his predecessors to turn Barclays into a proper business, rather than a family-run bank, yet here he is being replaced by yet another member of one of the founding families.

Sir John is already notably older than his two predecessors were when they stepped down. And while his time at the top has not been a great triumph, he hasn't acquitted himself any worse than the likes of Sir Timothy Bevan or Sir Anthony Tuke, the two previous chairmen, who got the job partly through their family connections.

Indeed, Sir John's decision to step down from the board when he retires is admirable. It enables the new chairman to get on with the job without being second-guessed all the time by his predecessor. By contrast, when Sir John took over the Barclays' chair in 1987, he had to face across the boardroom table the two prior chairmen, the son of a previous chairman, plus three other members of the founding families.

Apart from Sir John and Tom Fisher, another faithful retainer who kept the seat warm while the younger family members went to war, Barclays' chairmen have always been drawn from one of the founding families. There have been three Tukes, two Bevans, two Goodeneoughs, and one Barclay. It now sounds as if the Buxton end is going to be given a go.

It is hard to imagine any other multinational institution which draws its chairmen from such a narrow family clique and with such consistency. It would not be so bad if they owned a large chunk of the equity. But Sir Timothy Bevan and Andrew Buxton, who make up the dwindling family presence on the board, own far fewer shares in total than Sir John Quinton.

Happy ending

■ It all began when the parrot fell off its perch. Mrs X of Wales was very upset when her pet parakeet passed away shortly after she bought a new gas fire. Could it have been the fumes from the faulty equipment?

The Gas Consumers Council swung into action and Mrs X soon had a new gas fire. But the drama did not stop there. British Gas "asked her to dig up the body, wrap it in a carrier bag and put it in the freezer until a post-mortem could be carried out".

Mrs X refused and told British Gas that if they wanted the body they should come and "dig it up themselves". Although the cause of death of the bird was never established, the annual report of the GCC proudly reports that Mrs X accepted a cash settlement for the "inconvenience caused".

Rounding up

■ A favourite quiz question for all who believe that corporatism has been buried in the UK: which successful strike in the late 1980s was led by a director of the Bank of England and a governor of the BBC?

The answer is the engineering hours dispute; the men in question, Gavin Laird and Bill Jordan, respectively general secretary and president of the Amalgamated Engineering Union.

"I've been laid off – I solved the secrets of the universe"

But, in spite of their eminence, Laird and Jordan come well down the league table of union bosses' pay. They will this week receive a 5 per cent pay rise from the union's national conference, taking each man's salary to £31,762. Only George Brumwell of the building union, Ucatt, does worse in the top 10 unions' list, with £27,000.

At the top end is Alan Jinkinson of white-collar union Nalgo on £55,000, Ken Gill, left-wing leader of technical union MSF on £52,000, and John Edmonds, leader of the GMB on £48,000. However, Laird and Jordan might be due for a big pay rise: the engineering union is about to merge with the electricians' union, the leader of which, Paul Gallagher, is on nearly £40,000.

Guru relaunch

■ The forecasting record of the City's economic gurus has been pretty terrible of late, so now is as good a time as any for Dr Paul Neild to prove that he has not lost his old touch. The man who was Extel's number one-rated economic guru for 11 years until 1985 is joining County NatWest.

Observer's younger readers can be forgiven for wondering why anyone should be bothered about Neild's return. After all, he has spent the last three years in front of the TV cameras after a bad back cut short his job as head of equities at Phillips & Drew. Indeed, he won the Wincott broadcast business journalist of the year award last week for his "incisive yet entertaining" reporting of the economic scene for Channel 4 news.

Admittedly, it has been seven years since Neild was P & D's chief economist. But in his heyday he was a bigger star than newcomers like Goldman Sachs' Gavyn Davies, Roger Bootle of Greenwell Montagu, Tim Congdon of Lombard Street Research, or P & D's Bill Martin.

Although, Neild was incommunicado yesterday, County NatWest's Bob Semple was overjoyed by his coup and said that it was another sign of the renewed confidence in his firm. Given Neild's walk-on role in the Blue Arrow affair, his arrival at County NatWest is the clearest sign to date that County is prepared to put this unhappy episode behind it.

Expensive taste

■ Who said west German inflation was only 4.8 per cent? The cost of a fancy ice cream cone – our correspondent's favourite is maple walnut – in Frankfurt's Opernplatz, flanked by the mighty Deutsche Bank and the elegant Opera House, is DM3 this season, a rise of 20 per cent on last year.

No wonder the poor old Bundesbank is losing track of the money supply and strikes are in the air.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Fallacy and geography in banking competition

From Mr Geoffrey Pack.

Sir, There is a fallacy that more banks mean more competition. Anyone with experience of the banking system in the US or, for that matter, of certain countries within the EC would testify to this.

The biggest threat to competition within the banking system comes not from whether there is one more or one less bank in the market but from over-regulation. While a degree of regulation is clearly necessary for the protection of depositors and for the overall health of the financial system, there is plenty of circumstantial evidence to suggest that protecting the existing status quo of the four clearing banks in the UK would mean less efficiency and less competition.

An efficient banking market means keeping the market open to change and new entrants. There are a number of well qualified institutions which could compete in the product areas mentioned in Professor Bain's letter (April 21) and, by adopting an open market policy within a supervised environment, the regulatory authorities could ensure benefits to all interested parties – depositors, borrowers, shareholders and the public.

Geoffrey Pack,
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From Mr Russell Longmuir.

Sir, As the political and legal barriers recede throughout the European Community, it is still mystifying that in some quarters the UK is not considered part of Europe. Your eminent correspondent, Prof Bain, appears to highlight this perfectly when he states that a bid for Midland Bank from a "European bank" would avoid the competition concerns that would accompany a bid from Lloyds.

To think of UK banks (and for that matter UK companies) in terms of being non-European and to consider the effects of takeovers purely in terms of the domestic market will not help British banks (or companies) to compete on an equal footing with their French, German, Swiss and Spanish counterparts, both in Europe and at a global level.

I am sure that many people consider Lloyds Bank to be a European bank and indeed, no doubt, at some point, a senior official from Lloyds may point out to Prof Bain that Lloyds has more representation in Germany and Spain than it does in Scotland, where Prof Bain resides.

Russell Longmuir,
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Threats posed by the patenting of genes

From Drs R C Whelan and John Savin.

Sir, You correctly state in your editorial: "Don't patent human genes" (April 24). The current mess over patents with no proof of gene function is extremely dangerous. We sympathise with the position that the Medical Research Council has been forced to take and note that it is easy for other countries to take the moral high ground when they have not yet done any scientific work in this area.

It is, however, our observation that this is a dispute that has occurred too soon in the genome project: it will generate heat but little light on a critical area for industry. Such National Institutes of Health or MRC patents, even if granted (possible in the US, very unlikely in Europe), are not likely to protect subsequent inventions. Attempts to claim anything but token royalties and fees will certainly result in the NIH being sued by major US drug companies.

CEST's real worry is that these issues are hampering industrial investment in genome research. This is the subject of a CEST lead project involving EC, MRC and European industry.

The dispute may also stir up further "green" political pressure. By 2000, this could result in a Europe devoid of a significant biotechnology industry and dependent for advanced healthcare products on the US.

Genome technologies offer the first real hope of tackling the diseases of old age, like cancer and arthritis, that will be endemic in the greying Europe of 2010. That is the real tragedy of this unfortunate international protectionism by the US government. James Watson is to be applauded as one of the few Americans to speak out against this policy.

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Financial necessities

From Mr A J Weagwood.

Sir, Companies' annual reports are a vital means of communication. It is encouraging that some attempt has been made to measure their effectiveness ("Annual reports marked 'could do better'", April 23). This can even be developed into an entertaining parlour game.

But am I alone in my concern at the implication that financial analysts need spend no more than 100 seconds, and preferably less, on extracting five key items of financial information – and the related inference that five such items are all that they need?

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Right time

From Mr Erik Skon.

Sir, When Margaret Thatcher and Ronald Reagan rose to power it was because they represented political changes wanted by the majority of the people in Britain and the US.

Today, the main single difference between Majorism and Thatcherism, no doubt, is that John Major seems to have realised that you cannot just turn the clocks back; you have also to come up with the contemporary solutions and ideas. John Major represents the kind of politician who gives people of the western world a glimmer of hope for the future. Let us just hope that we can say the same about the next US president.

Erik Skon,
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Another measure of Hungary's creditworthiness

From Mr Laszlo Czirjak.

Sir, I congratulate Nicholas Denton and the Financial Times for the comprehensiveness and insight of the article, "A kiss of life from across the border" (April 21). However, while the article presented the most pertinent issues in their complexities, it failed to extract one key issue. From economic or credit perspective analysis, rather than citing just the per capita indebtedness. A more relative and demonstrative measure of Hungary's creditworthiness emerges through the application of the debt/service ratio. Hungary was able almost to double its hard currency export in about a year, which contributed significantly to reducing the debt/service ratio to less than 40 per cent at the end of 1991. Moreover, the net debt has also bean reduced to \$13bn in this year, while inflation was kept at below the 30 per cent level. Finally, industrial exports may prove less problematic with low wages, yet the existing high science-education level in Hungary is the relevant factor for the future.

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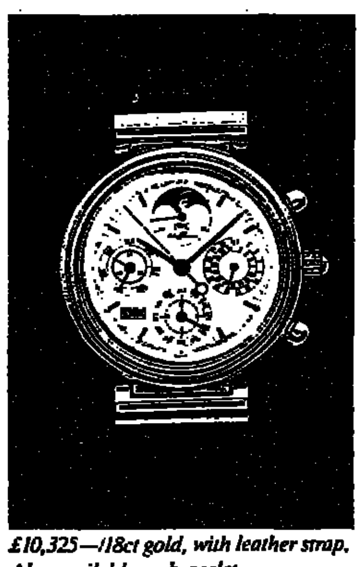
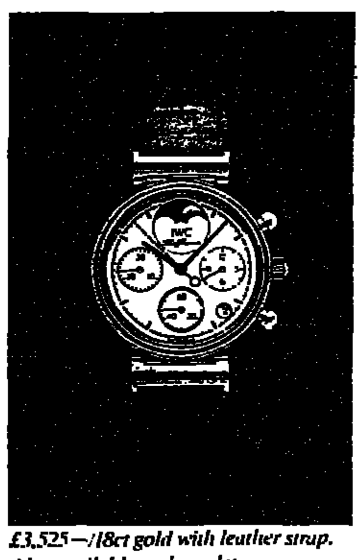




FINANCIAL TIMES
Monday April 27 1992

A guerrilla in from the cold

David Housego on Ahmed Masood, Afghanistan's new defence minister

If any man deserves the credit for having masterminded the collapse of Afghanistan's communist regime and the fall of Kabul, it is Ahmed Shah Masood, the most successful field commander of the war and leader of the northern-based guerrilla alliance.

Now named defence minister in the interim administration that will take over running the country, he is likely to be its most powerful member.

Mr Masood is leader of the *Jamiat-i-Islami* and has already established an Islamic administration in the north-eastern territories under his control since 1990. He has shown a flair for diplomacy and compromise in the way he undermined the communist regime from within and built alliances with other guerrilla groups.

As his strategy to overthrow President Najibullah's regime began to unfold this year, Mr Masood asked Mr Benon Sevan, UN envoy on Afghanistan, to see him. It was a critical error by Mr Sevan that he did not take up this offer then and thus open a direct dialogue with the main mujahideen commander. Apart from a brief contact much earlier, the two met for the first time only last week at Charikar, Mr Makoud's makeshift headquarters north of Kabul.

By then, Mr Masood had good reason to feel victory was his. He told journalists he could be in Kabul within two hours if he wanted, but that his priority was to establish an interim council in the capital. "I took Charikar and Bagram [the nearby airbase, the capture of which opened the road to Kabul], so it is easy for me to go into Kabul," he said.

He outmanoeuvred Mr Gulbuddin Hekmatyar, leader of the rival Hezb-i-Islam, by contrasting his own readiness to negotiate with the belligerence of Mr Hekmatyar, who had threatened an attack on Kabul.

"My proposal to Hekmatyar is that, instead of starting an offensive against Kabul, he should go to Peshawar [in Pakistan], sit with the other mujahideen leaders and reach an agreement" on an interim administration.

A Persian-speaking Tadjik from the north-eastern Afghan district of Panjshir, Mr Masood was educated at a French-language school in Kabul. He took up arms against the Kabul regime as early as 1975 in an uprising backed by Pakistan in which Mr Hekmatyar collaborated with him. When that failed, Mr Masood stayed in Panjshir and Hekmatyar made his base in Pakistan. The two men have been rivals and enemies since.

In the war against the Soviets, Mr Masood emerged as the most successful field commander, cutting out a fiefdom for himself in the north-east. He received little aid from Pakistan, which resented his independence of mind. This changed briefly in 1990 when he made a lengthy visit to Pakistan.

But he has often complained of Pakistan's lack of support for him. He essentially created his army from other resources and captured Soviet weapons. British intelligence is said to have supplied his sophisticated radio equipment.

While controlling the north-east, Mr Masood was assiduous in building up contacts in the armed forces and within President Najibullah's regime. He wooed General Rashid Dostam, head of the Uzbek militia in Mazar-i-Sharif and one of Najibullah's main supports. He warned him of the great loss of life in the war. "How many children can an Uzbek mother bear?" he is said to have asked by way of encouragement to make peace.

These contacts bore fruit this year as Najibullah – distrustful of his non-*Pathan* commanders in the north – sought to displace them. Mr Masood allied with Gen Dostam and with General Abdul Momen, army divisional commander in the north, on the ex-Soviet border. This alliance took control of Mazar-i-Sharif, then of the Bagram airbase.

Ten days ago, the Uzbek militia, who had been flown into Kabul with the connivance of disaffected military leaders, blocked Najibullah's departure from the country. The end was in sight.

As a Tadjik from the north, in a country traditionally dominated by Pushtuns, Mr Masood will find his most difficult task in reconciling the fears of Pushtuns, who make up 40 per cent of the Afghan population. In the power struggle still unfolding with Mr Hekmatyar's Hezb, the strength of the latter is that he is still seen as a Pushtun nationalist.

THE LEX COLUMN

Banking on new capital

It has become almost automatic for each downward lurch of the Japanese equity market to prompt cries of alarm over the implications for international bank credit. Since Japanese banks rely on unrealised equity profits for part of their capital, they must in theory withdraw further from international lending as share prices fall. But does this mean the rules on bank capital drawn up by the Bank for International Settlements are unnecessarily tight? And if so, should they be relaxed for everyone, or should Japanese banks get special exemption till the market recovers?

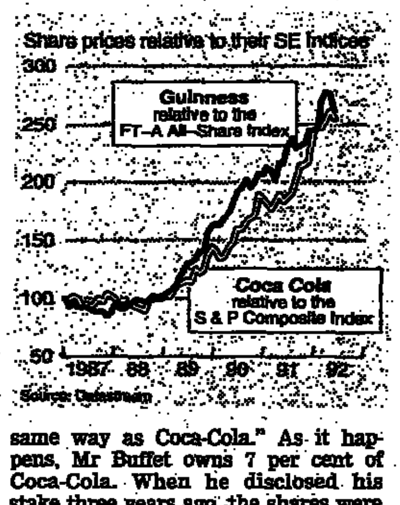
The answer on all three counts is probably not. Banks in the UK, Germany and Switzerland have the spare capital to pick up any slack in international lending. So any worries about the availability of credit are not necessarily due to the BIS requirements.

Nor is the immediate capital problem for Japanese banks that dire, as the Ministry of Finance in Tokyo pointed out last week. Most can still raise capital through issues of relatively inexpensive subordinated debt. Such issues may not, however, exceed 50 per cent of core or so-called tier 1 capital. If either the stock market or the yen fell much further, the banks could come against this limit. They would then have to raise new tier 1 capital through preference shares whose dividends have to be paid out of taxed income.

The prospect of that expense might provoke a more rapid retreat from the world arena. There would, however, still be little point in the finance ministry softening the rules. It has no formal obligation to enforce them, but credit rating agencies would certainly respond to exemptions by downgrading Japanese institutions, pushing up their cost of funds. Overseas authorities would in theory be entitled to refuse banking and securities licences to Japanese banks which failed to meet the requirements. In short, BIS requirements are likely to pose more problems for shareholders in Japanese banks than for the world at large, especially since the slide in domestic property prices has yet to be fully felt in their profit and loss accounts.

Guinness

For the fundamental investor, one of the year's most curious revelations has been that of Mr Warren Buffet's $265m purchase of Guinness shares. "Guinness," Mr Buffet observed last month, "earns its money in much the same way as Coca-Cola." As it happens, Mr Buffet owns 7 per cent of Coca-Cola. When he disclosed his stake three years ago, the shares were on the same historic multiple of 17 which Guinness now enjoys. Coca-Cola's multiple has since risen to 34. Is it conceivable that Guinness could go the same way?



The criteria on which Mr Buffett invests are a matter of record. The business should be simple, with a strong market position, proven management and a history of consistent earnings growth. Guinness fits the description admirably. The question is how far the market undervalues those qualities. Coca-Cola and Gillette have outperformed the US market by 140 per cent and 80 per cent respectively since Mr Buffett bought into them three years ago. But in the preceding three years, both shares had performed only modestly. In the three years before the Guinness stake was disclosed, Guinness had trebled against the London market. On that basis, Mr Buffett seems a little late for the party.

But his record argues against dismissing him lightly. A case might be made as follows. The top four spirits companies in the world – Guinness being the largest – account for only around 15 per cent of world spirits consumption. There are markets in the Far East, South America and Eastern Europe yet to be fully exploited. Even in more developed markets, there is room for a further shift to international brands. Much of Guinness's recent growth has come from jacking up the price of Scotch. That is plainly a finite process; but Scotch is by now only half the business in profit terms. While spirits margins levelled out last year, margins in beer jumped from 12 per cent to 14 per cent. Plainly, Mr Buffett is right to value Guinness's management.

Perhaps the most important qualification is that Guinness shares, like those of Coca-Cola, enjoyed their strongest run when the markets put the highest value on growth combined with defensiveness. As pharmaceutical stocks on both sides of the Atlantic have shown lately, the markets can change their minds sharply about that when the business cycle starts to turn up. Then again, stocks like Merck and Glaxo were on very demanding multiples. After Guinness's own modest setback recently, its p/e ratio of 17 is just one point above the average for the London market. Guinness seems unlikely to prove one of Mr Buffett's star investments. He could be on to something just the same.

Pension funds

In light of the Maxwell affair, it is worth considering what the market can expect by way of legislation affecting the UK pensions industry. The obvious point to make is that a new Pensions Act is unlikely to repeat the impact of changes 20 years ago in the US, when the introduction of prudence as an investment principle led eventually to the expansion by pension funds into overseas assets. UK funds are by comparison already well diversified by assets and markets.

Tighter restrictions on self-investment apart, the main purpose of any new UK rules will be not so much to influence where pension fund money is invested as to limit the scope for Maxwell-style looting. Logically, that means addressing such obscure areas as trust deeds and the safe custody of assets, as well as the independence of fund managers.

These issues have already been worked over by a parliamentary committee. Its recommendations, if implemented, would make occupational funds more secure. Trustees would have better-defined responsibilities and fund managers would have to separate investment activity from the safe custody of assets. The question is whether such measures would be as costly as the fund management community has argued. The answer is probably not. Nor is it clear that fund managers would have a case for passing on extra costs to the clients the new measures would be designed to protect. As the parallel debate on soft commissions has shown, fund managers have been remarkably adept at keeping cost savings for themselves.

Car prices vary by 40 per cent within the EC

By Andrew Hill in Brussels and Kevin Done in London

CAR PRICES in the European Community differ substantially and by more than 40 per cent in the worst cases, a study prepared for the European Commission shows.

However, the Commission is divided about the causes of the price disparities, and about what actions should be taken to bring prices into line.

The report, prepared with the assistance of the Motor Industry Research Unit, the UK-based automotive consultants, shows that five manufacturers had at least one model with price differences greater than 40 per cent in one of the five study periods chosen between January 1988 and January 1991.

Germany and Spain had the greatest number of high price models in 1988, while in January 1989 the highest price models were concentrated in the UK. Spain had by far the greatest number of high price models in the three study periods in 1990 and 1991.

Even the car manufacturer with the lowest price gap had differentials as great as 17 per cent, the report by EC competition officials shows. For 18 of the 21 car models studied in detail the price differentials exceeded 18 per cent, and for 19 of the 21 models the price differentials exceeded 12 per cent for two consecutive study periods.

On Wednesday, Sir Leon Brittan, EC competition commissioner, and Mr Martin Bangemann, industry commissioner, will seek approval by fellow commissioners of two reports they have produced relating to the motor industry. One on car prices has been produced for Sir Leon, and a separate report has been produced by Mr Bangemann's directorate on the industry itself. Both highlight significant differences in car prices.

Advisers to Sir Leon and Mr Bangemann disagree on the extent to which the current system of exclusive car dealerships in the EC is to blame.

The system restricts sales of new cars in the EC to dealers chosen by the manufacturers and is exempt from EC competition rules until 1995. Under the terms of the 10-year exemption, EC car prices are supposed to stay within a 12 per cent band in the long-term with fluctuations up to 18 per cent only allowed for periods of less than one year.

Consumer groups argue that the system aggravates price differences.

Sir Leon and his advisers believe that while other factors – including tax differences, currency fluctuation, and varying equipment specifications – encourage price differences, the exclusive dealership system is the main culprit.

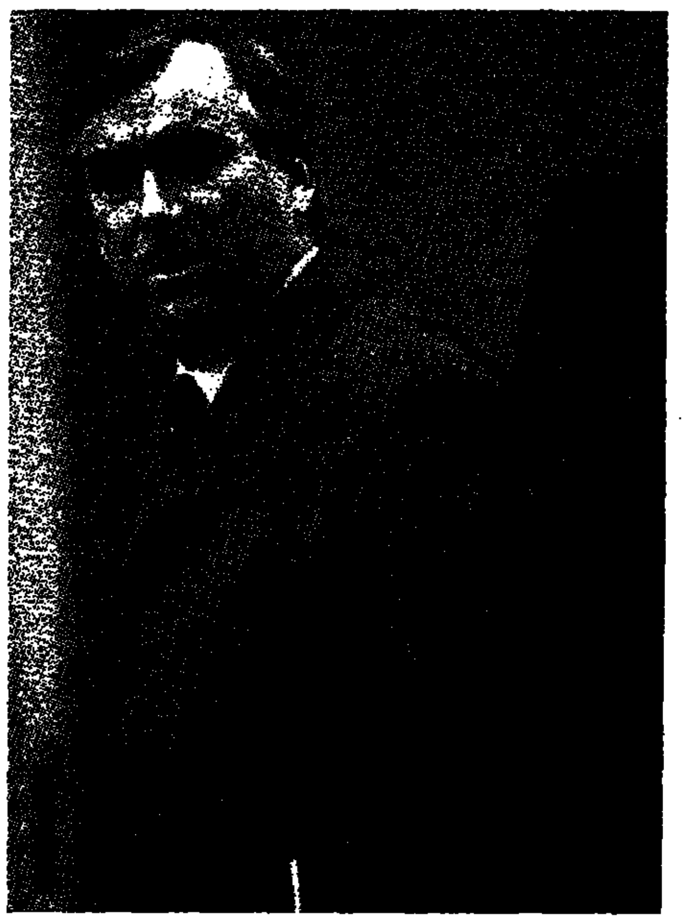
Mr Bangemann's advisers favour attacking specific abuses of the system, but say high prices in Britain and Spain have other causes.

Sir Leon will not call for exclusive dealerships to be scrapped but his advisers say that over the next three years dealers will have to show the system is consistent with a healthy internal market.

Mr Bangemann's report on the automobile industry is the latest in a series of Commission communications on different industrial sectors.

It calls for "a satisfactory and efficient system of selective distribution" to be maintained until 1999, which is unacceptable to Sir Leon. The aim, according to a recent draft, is to protect EC manufacturers from "large-scale indirect importation" of cars while they are adapting to increased competition from Japanese manufacturers.

Last year's "gentleman's agreement" between the EC and Japan envisages full liberalisation of the EC market by 1999.



Clashing with US over Germany's fiscal deficit: finance minister Theo Waigel prepares to put his case to the G7 yesterday

G7 nations divided

Continued from Page 1

draw funds from it when required. The formalities needed for Russia and most other former Soviet republics to join the IMF and its sister organisation, the World Bank, should also be completed today, paving the way for detailed negotiations on the rouble fund, a $4bn IMF standby credit for Russia, and World Bank loans to the former Soviet republics.

Mr Schlesinger indicated that Germany was less than enthusiastic about the planned activation of the GAB. He and British officials suggested the eventual rouble stabilisation fund could be subject to tougher conditions than the stand-by credit Russia will negotiate with the IMF.

"We will want the right of veto if anything emerges that is not satisfactory," said one UK official, noting that Russia's monetary policy was a weak part of its economic reform package.

Mr Gaidar, who had breakfast with Mr Norman Lamont, UK chancellor of the exchequer, told him yesterday that the compromises on economic policy reached between the Russian government and the recent Congress of peoples' deputies had delayed economic reform by about a month. But he said there were signs of a "supply side" response to the changes introduced in Russia with exports recovering.

The financial assistance for Russia, discussed yesterday by the G7, is part of the $24bn international support package announced by President George Bush and German Chancellor Helmut Kohl earlier this month.

Numbers seeking asylum in the UK halved

By David Marsh, European Editor

THE number of people applying for political asylum in Britain has dropped by more than half this year as tougher Home Office screening controls start to bite.

Officials believe the latest statistics suggest a significant proportion of last year's record 44,743 asylum applications may have reflected bogus requests.

This is because people requesting asylum have since the end of last year had to apply in person to the Home Office asylum division in south London.

Potential asylum-seekers may also have been deterred by Britain's tougher public stance on the issue.

The fall – to an average 1,730 a month in the first three months from 3,730 last year – is in sharp contrast to other European countries like Germany, which continue to have growing inflows.

A total of 35,000 foreigners applied for asylum in Germany in March. Based on current trends, this is almost twice as many as are likely to register in the UK this year.

The Home Office figures are likely to take the heat out of the debate over immigration when the much-criticised Asylum Bill is reintroduced for parliamentary scrutiny after the Queen's Speech laying out the government's plans on May 6.

The government withdrew the bill in the House of Lords two months ago. The legislation is due to be resubmitted in the summer or autumn.

The government and refugee organisations such as Amnesty International have been pointing for months to the problem of multiple applications. Individual foreigners have been completing several asylum forms in different names.

Asylum-seekers receive social security benefits as soon as their application form has been officially lodged giving them the chance of drawing extra benefits fraudulently. The average time for an application to be processed has been 14 months, longer if appeals are involved.

Amnesty International has criticised the government in the past for not channelling more resources towards processing asylum applications. The Home Office has responded by stepping up recruitment and training. The asylum division has 550 staff, up from only 50 in 1988, with £10m ($17.5m) per year spent on processing requests, against only pounds £1.7m two years ago.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F			°C	°F			°C	°F
				Boulogne	R	12	54	Frankfurt	S	21	70	Majorca	S	22	72	Oporto	F	18	64	Tenerife	S	21	70
				Brussels	R	14	57	Geneva	S	24	75	Malaga	S	23	73	Oslo	F	11	52	Tokyo	S	19	66
				Budapest	F	26	79	Gibraltar	S	23	73	Malta	F	20	68	Paris	F	21	70	Toronto †	C	7	45
Ajaccio	S	17	63	Buenos Aires	F	19	66	Glasgow	F	8	46	Manila	F	37	99	Prague	C	20	68	Tunis	F	28	82
Algiers	C	22	72	Cairo	F	24	75	Helsinki	R	1	34	Melbourne	F	15	59	Reykjavik	F	5	41	Valencia	S	24	75
Amsterdam	R	13	55	Cape Town	F	19	66	Hong Kong	F	27	81	Mexico City	C	24	75	Rhodes	S	21	70	Venice	S	18	64
Athens	S	20	68	Caracas	F	30	86	Innsbruck	F	23	73	Miami †	C	22	72	Rio d'Janeiro		–	–	Vienna	S	25	77
Bahrain	F	29	84	Casablanca †	S	19	66	Inverness	F	11	52	Milan	S	23	73	Rome	F	24	75	Warsaw	S	15	59
Bangkok	F	38	100	Chicago †	C	5	41	Islamabad	R	32	90	Montreal †	S	3	37	Salzburg	S	23	73	Washington †	R	8	46
Barcelona	S	17	63	Cologne	F	19	66	Istanbul	S	13	55	Moscow	C	6	43	S'Francisco †	F	12	54	Zurich	S	22	72
Beijing	S	25	77	Copenhagen	F	9	48	Jakarta	R	32	90	Munich	S	23	73	Seoul	S	20	68				
Beirut	S	19	66	Corfu	S	20	68	Johannesburg	S	24	75	Nairobi		–	–	Singapore		–	–				
Belfast	F	11	52	Dallas †	S	11	52	Lisbon	F	20	68	Naples	F	23	73	Stockholm	F	13	55				
Belgrade		–	–	Dublin	S	13	55	London	C	12	54	Nassau	F	28	82	Strasbourg	F	22	72				
Berlin	F	18	64	Dubrovnik		–	–	Los Angeles †	S	17	63	New Delhi		–	–	Sydney	S	19	66				
Biarritz	S	17	63	Edinburgh	R	12	54	Luxembourg	C	18	64	New York †	C	6	43	Taipei	C	26	79				
Bombay	S	34	93	Faro	S	21	70	Madeira	S	21	70	Nice	S	21	70	Tangier	S	20	68				
Bordeaux	F	25	77	Florence	S	25	77	Madrid	S	24	75	Nicosia	S	21	70	Tel Aviv	F	21	70				

Temperatures at midday yesterday
† Noon GMT temperatures
C–Cloudy Dr–Drizzle
F–Fair Fg–Fog H–Hail
R–Rain S–Sunny
Sl–Sleet Sn–Snow
T–Thunder

FINANCIAL TIMES
COMPANIES & MARKETS

Monday April 27 1992

INSIDE

Groupe Bull plans fresh job cuts

Groupe Bull, the French state-owned computer maker, yesterday announced 1,100 fresh job losses to sharpen its competitiveness in the recession-hit computer industry. This follows 9,000 job cuts over the past 18 months, as part of a complete overhaul by chairman Mr Francis Lorentz (left) of the previously cumbersome company's organisation. Page 17

Goodyear beats forecasts

Goodyear Tire & Rubber, the sole surviving big US tyremaker, has reported strong first-quarter results, exceeding the company's earlier estimates. Page 17

Germany spreads despondency

A litany of bad news from Germany last week, dashing hopes of an imminent interest rate cut, left European bond markets despondent. The threat of strike action over pay settlements and a leap in German monetary supply sent European bond prices tumbling. Page 18

What goes up...

Real interest rates have been unusually high for some time now, and some forecasts circulating seem to assume that this is the new normality; but, in the long run, it can't be, writes Anthony Harris. Page 19

Credit analysts tackle Europe

For evidence that a corporate bond market is developing in Europe, look no further: a band of specialist credit analysts is springing up around the City of London, bringing a new approach to European bond investment. Page 19

Sweden sends mixed signals

It has been a week of mixed news for Sweden's government bond market. First the Central Bank governor said he wanted the krona tied more closely to the European Monetary System, followed by a commitment from the coalition government to low inflation. Then came the bad news: Sweden's forecast budget deficit is well above earlier expectations. Page 18

Market Statistics

Companies in this issue

Japan's banks face Y1,297bn loss

Steven Butler in Tokyo on the effects of the sharp decline in portfolio valuations

JAPAN'S city, long-term credit and trust banks have announced a total of Y1,297.3bn in portfolio valuation losses from the decline of the Tokyo stock market.

The losses have forced some of the banks also to revise earnings estimates downward for the year ending last month.

Sanwa Bank was hit hardest, with losses amounting to Y145bn (£617m).

The bank said net earnings would decline 10 per cent compared to earlier estimates of Y120bn. Last year earnings were Y123bn.

The Industrial Bank of Japan and Fuji Bank reported losses of more than Y90bn. The losses are in aggregate nearly five times more than last year.

The losses directly affect current profits, and some banks have aggressively sold securities on which they can realise a capital gain to boost the bottom line. The banks continue to hold significant hidden profits on other securities whose market value remains above acquisition costs.

Bank losses on securities	
Sanwa Bank	Y145.0bn
Industrial Bank of Japan	Y98.5bn
Fuji Bank	Y96.4bn
Sumitomo Bank	Y88.2bn
Tokai Bank	Y84.7bn
Sakura Bank	Y78.9bn
Daiwa Bank	Y72.7bn
Dai-Ichi Kangyo Bank	Y72.0bn

Valuation losses have been partly offset by rising interest rate spreads as rates decline, and the banks are reporting higher operating profits as a result.

The disclosure of losses is required under stock exchange rules. They appeared timed to follow Ministry of Finance attempts to calm investor fears about the health of the banking system.

The ministry last week said the banks were "very sound", in spite of rising bad loans linked to the property sector. The announcements were aimed at convincing investors the banks' problems were manageable.

However, the ministry's efforts appear to have raised further questions about the likely growth of non-performing loans in the current year, about which the ministry had no comment. The valuation losses are also dated to the end of March, after which the stock market plunged. Further losses will have to be declared if the market fails to recover.

Valuation losses for the banking sector in 1991 came to Y1,734bn, said the ministry.

Japan's big squeeze, Page 12

Robert Peston and Andrew Taylor on Eurotunnel's growing problems

Burrowing on amid the financial gloom

EUROTUNNEL'S 220 banks are becoming inured to crisis, though they fear that the Channel tunnel company's latest financial problems are perhaps its most serious.

The 19 leading lenders to the company, known as the instructing banks, were given the grim details of Eurotunnel's financial plight by Sir Alastair Morton, the company's chief executive, on Friday.

He reiterated that Eurotunnel was in breach of its banking covenants and therefore needed their permission to continue drawing on its banking facilities. The deadline for permission is in June, when Eurotunnel will run out of cash.

Under its borrowing contracts, Eurotunnel needs agreement from 65 per cent of banks as measured by the value of their loans. Bankers, led by four agent banks – National Westminster and Midland from the UK, Crédit Lyonnais and Banque Nationale de Paris from France – say receiving that support is by no means a foregone conclusion.

Many banks are feeling strapped for cash, given that so many companies are running into financial difficulties when capital is in short supply. Bankers say they expect Japanese banks, suffering from an acute shortage of capital because of the fall in the Tokyo stock market, to be particularly difficult to corral into allowing Eurotunnel to continue drawing on the facility.

Eurotunnel has credit facilities of around £8bn, but the main lending facility from commercial banks is for £6.8bn. Of this commercial line, Eurotunnel has already drawn £4bn. Though some banks may not wish to provide the remainder, bankers say that in the end they probably will give permission in the form of a waiver of the breach of the relevant banking covenant.

"With the tunnel just over a year from opening, it would be irrational to stop the funding now," said a leading banker.

Sir Alastair says he would not have had any doubts about getting permission from the banks, were it not for a decision last month by an independent disputes panel which tripled monthly progress payments made by Eurotunnel to its contractors to £75m, starting from next Thursday.

The panel ruled that Eurotunnel should negotiate a new lump sum to cover the increased cost of fitting out the rail tunnels and building two passenger terminals at Folkestone in Kent and Sangatte, northern France.

Lenders hold the key to the Channel tunnel group's future

It offered to fix a price if the two sides could not agree. Eurotunnel says the panel has tilted a delicate balance of power in favour of the contractors. It "tossed a hand grenade" into the negotiations, said an appalled Sir Alastair.

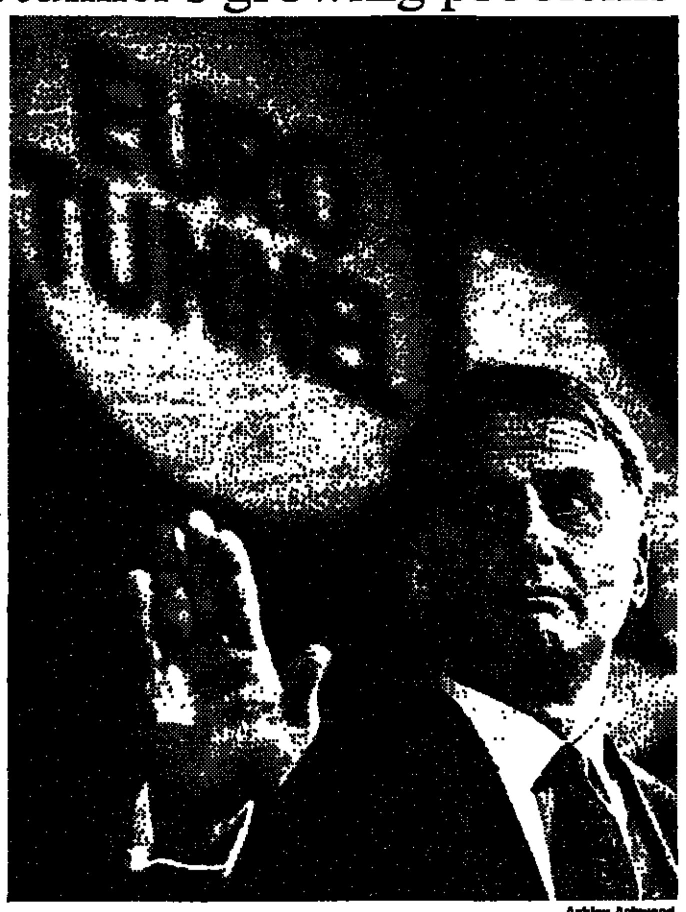
Eurotunnel on Thursday took the issue of increased progress payments and the panel's request that it renegotiate a new global figure for this part of the contract to independent arbitration by the International Chambers of Commerce in Brussels.

Meanwhile, Eurotunnel has still to decide whether it will increase progress payments. Transmanche Link (TML), the consortium of five British and five French construction companies building the project, has said it will run into cash-flow problems later this summer if payments are not increased. It has threatened to halt work on parts of the project where payments are insufficient to cover its costs.

On the issue of the final cost of constructing the terminals and fitting out of the tunnels, the two sides are as far apart as ever. TML is claiming about £1.5bn at 1985 prices for the lump sum contract which was originally expected to cost £620m. Eurotunnel has offered to pay a sum approaching £1bn, leaving a gap of about £500m.

Arbitration could take several years which would give Eurotunnel time to finish construction and open the project before it might need to raise more money from shareholders to pay contractors – should arbitrators rule against the group.

The uncertainty complicates an already difficult relationship with the banks. Because of the late opening of the tunnel and the delays in running a London-Paris passenger service, Eurotunnel was already in breach of its covenants and therefore in need of a waiver. However, it did not believe it would have any difficulty obtaining this waiver, until the ruling of the disputes panel was released.



Ashley Ashwood

Eurotunnel chief executive Sir Alastair Morton: spelling out the grim details of Eurotunnel's financial plight

It would be devastating for Eurotunnel if TML were to win its claims. A TML victory would represent a much more serious breach of its banking covenants, because it would constitute a change to the construction contract.

Equally serious covenant breaches would arise from any further significant delays in the opening dates or increases in interest rates, which seriously diminished the company's cash flow and forced it to raise new money.

In those cases, Eurotunnel would require support from 90 per cent of its banks by value to have continued access to funds. Sir Alastair believes it would be impossible to win such a majority.

If there were such an apocalypse, the outlook for Eurotunnel as a company would be uncertain. The banks could opt to keep the company in existence, but control it more tightly. Or they could replace it with a vehicle of their own, which would finish and operate the tunnel.

In either case, there would be only one certainty – Eurotunnel's shares would be worth pennies or nothing.

Axa plans to sell insurance directly

By Richard Lapper in London and Alice Rawsthorn in Paris

AXA, the second-largest French insurance group, is launching direct sales of motor insurance, a move which could have significant consequences for France's insurance market.

Mr Claud Bébéar, Axa chairman, said his group planned substantial investment in the venture over the next five years. The initiative, begun earlier this month in the Paris area, involves selling directly to the public through the mass media, direct mail, and by telephone.

Axa is the first of the large French companies to sell motor insurance directly. Until now the major companies have sold policies through their agents. However, two smaller French insurers, Azur and Lloyd Continental, have already established direct sales operations as have two UK companies - General Accident and Commercial Union.

In the past the French majors have been reluctant to begin direct selling for fear of alienating the agents which have had exclusive rights to sell their products. Agents also act as a barrier against new entrants to the French market thereby deterring potential international competitors.

However, pressure is growing for change from the agents, many of which favour breaking ties to individual insurers so they can act as brokers. The French majors also face increasing competition from the growing band of mutual companies which claim 29 per cent of the French market for motor and home insurance policies.

Large companies like Axa have been encouraged by the success of direct sales companies elsewhere in northern Europe, particularly in the UK, where direct writers – such as Direct Line, the subsidiary of the Royal Bank of Scotland – now have a market share of about 10 per cent. Mr Bébéar estimates the market for direct sales in France could be of a similar size.

The Axa chairman also alluded to his group's possible ambitions in the UK. Axa's two existing UK non-life operations – Westgate and London & Hull – are both niche operations. Its other UK subsidiary, Axa Equity & Law, has a more sizeable share of the life assurance sector.

Mr Bébéar said his aim was for Axa's UK subsidiary to be at least a third as big as the top UK composites.

G10, IFIs, the IMF and the gift of the Gab

Economics Notebook

By Peter Norman

The world's international financial institutions (IFIs) are in the business of making a yawn out of a crisis.

The drama surrounding the west's financial bail-out of Russia and the other successor republics of the former Soviet Union is a case in point where one world problem has been dressed up in the most boring language imaginable.

The full story involves getting to grips with such financial arcana as the Group of 10 – a club of the world's richest industrial nations that, for reasons that would take too long to explain here, is comprised of 11 countries – and another monetary obscurity, the General Arrangements to Borrow (Gab).

Early today in Washington, G10 finance ministers and central bank governors will meet to activate the Gab. This humdrum sentence is a stark warning that putting Russia and the other republics on the road to market capitalism will cost the west dear and could outrun existing financial resources.

The Gab, in IFI-speak, is a "facility" by which the 11 G10 nations can lend currency reserves to the IMF so that it, in turn, can lend more to countries in need. Barring last-minute surprises, the G10 will reach an agreement in principle today to use the Gab to finance a $6bn IMF stabilisation fund to support the rouble - with the proviso that Russia and other republics using the rouble as their currency comply with strict IMF monetary and economic conditions before they can tap the fund.

It will be the first time the Gab has been used to help finance an IMF support programme since 1978 and since the Gab agreement was changed in 1983. Those changes boosted the cash available to the IMF through the Gab to SDR17bn when expressed in the fund's own reserve currency (about $23.2bn) and allowed its use to support IMF lending to countries other than G10 members. In 1983 Saudi Arabia also agreed to provide SDR1.5bn of credit that could be used with the Gab.

The 1983 changes were agreed to give the IMF sufficient resources to deal with the Latin American debt crisis. It is a measure of the fund's current problems that it survived the 1980s without using the GAB and is only now calling on the G10 to assist.

The Gab is not activated on trivial grounds. According to IMF rules, the fund's managing director may only draw on the GAB "if, after consultation, he considers that the fund faces an inadequacy of resources to meet actual and expected requests for financing that reflect the existence of an exceptional situation associated with balance of payments problems of members *of a character or aggregate size that could threaten the stability of the international monetary system.*" (my italics)

Taken at face value, these conditions might suggest the Russians, having renounced communism, now constitute a greater threat to the international monetary system than when the former Soviet Union was pledged to the destruction of the capitalist west.

A more plausible explanation for the IMF turning to the G10 is that it is strapped for cash.

At first sight, no statement could seem further from the truth. The fund has capital of $123bn, or SDR90bn, derived from the subscriptions of its member countries. It also has borrowings from Japan and Saudi Arabia to finance special operations.

However, the IMF cannot use all its resources to support economic reform because there will always be some members in trouble and so recipients of loans. But its liquidity in recent years has been remarkably stable.

At the extreme, it believes it could draw on around 60 per cent of total quotas, or SDR54bn, to meet the needs of its less fortunate members. Adopting a more cautious approach to reflect possible balance of payments problems among fundamentally sound countries, the fund's usable resources based on quotas fall to around SDR40bn.

The fund has already loaned about SDR25bn of which about SDR4bn is covered by borrowings that will have to be paid back over the next two to five years. For the time being, the IMF's "pure liquidity" is estimated at between SDR21bn and SDR22bn.

The problem facing Mr Michel Camdessus, IMF managing director, is that these funds will be increasingly in demand over the next six to nine months.

In 1990, the IMF committed itself to lending between SDR4bn and SDR5bn. Last year the figure went up to SDR10bn and a further SDR10bn of commitments is expected this year. Of these commitments, an estimated SDR7bn to SDR8bn still has to be disbursed.

The queue of countries wanting support is growing daily:

- Russia is in line for a $4bn IMF standby credit as well as the $6bn rouble stabilisation loan to help fill an estimated financing gap of $24bn this year.
- The other 14 former Soviet republics could require total western support of $20bn in 1992, some of which would come from the fund.
- India is in the throws of far-reaching market-oriented economic reforms that require and deserve financial support.
- Southern Africa, with 13 nations suffering from the worst drought this century, will also have big claims on the IMF.

The 1990s have so far thrown four great challenges at economic policy makers. German unification, the reform of eastern Europe, the economic transformation of the former Soviet Union and reconstruction after the Gulf War may increase total investment needs by more than $100bn a year between 1992 and 1996, according to the IMF.

Throw into the equation the blocking so far by the US Congress of a quota increase for the fund to lift resources drawn from membership subscriptions by 50 per cent to around SDR136bn, and it is clear why Mr Camdessus has asked the G10 to activate the Gab.

One of the few near certainties in an uncertain world, is that the IMF's managing director will be back for more support from his richest member countries before long.

Outram mbo team outbids Pearson

By Raymond Snoddy in London

A MANAGEMENT buy-out team at George Outram, publisher of the Glasgow-based Herald and Evening Times, looks as if it has outbid Pearson, the publishing and industrial group, by offering £75m ($132.7m) in the battle for the company.

Mr Tiny Rowland's Lonrho group is believed to have given the management team, led by Mr Liam Kane, managing director, an exclusive option until the end of this month.

The management team is backed by Scottish financial institutions including the Royal Bank of Scotland, and Robert Fleming, the London merchant bank.

Pearson, owner of the Financial Times, bid around £70m.

The planned sale is part of a campaign by Lonrho to reduce debt. It follows the disposal of Lonrho's Scottish weekly newspapers in a £45m deal to Trinity International, publisher of the Liverpool Post and Echo.

Mr Frank Barlow, Pearson group managing director, declined to comment on the Outram deal yesterday. However, Pearson has a record of not getting involved in acquisition auctions so an increased bid for Outram is unlikely. It will probably become involved again only if the management buyout fails.

Because an mbo deal would not be a concentration of ownership it would not have to be referred to the Monopolies and Mergers Commission, thereby speeding up the disposal.

GPA share agreement in principle with Aer Lingus

By Tracy Corrigan

Tony Andrews

Tony Ryan: price range for shares expected in May

GPA, the world's largest aircraft leasing company, has reached an agreement in principle with Aer Lingus, one of its largest shareholders, over a crucial feature of its controversial $1.7bn share flotation, scheduled for June.

Aer Lingus, the Irish airline, has agreed in principle to "some degree of lock-up" of shares, according to a company spokesman. The sale of new and existing shares cannot go ahead until a lock-up agreement, preventing existing shareholders from selling more than an agreed amount during and after the sale, has been reached.

Although the agreement in principle represents a step forward, details of the amount of shares to be sold and the duration of the lock-up are still under negotiation.

Aer Lingus wants to sell a large portion of its 9.9m shares, while GPA is trying to limit the sale to 5 and 15 per cent of the shareholding.

Aer Lingus, like Air Canada, another major GPA shareholder, is keen to sell its shares because it needs to strengthen its own balance sheet.

Similarly, a number of Japanese banks which own shares are keen to shore up their capital by selling shares at an attractive price, following the recent declines in the Japanese stock market which eroded some of their capital.

Mr Tony Ryan, GPA chairman, said the group expects to announce a price range for the shares next month.

Taunton Cider and Kenwood ready to make market debut

By Peggy Hollinger

THIS SUMMER will see two rapidly-growing newcomers on the stock market with the flotations of Taunton Cider, Britain's second-largest cider maker, and Kenwood Appliances, one of the UK's leading household equipment manufacturers.

Taunton Cider has chosen July for its stock market debut, little more than a year after the £100m management buy-out from brewers Bass, Courage and Scottish & Newcastle.

The listing is expected to value the Somerset-based maker of Red Rock and Diamond White ciders at between £130m and £150m. It is believed the flotation could double the value of shares held by some 96 per cent of the company's 500 employees.

Taunton is expected to sell just under 50 per cent of its shares. The group, advised by merchant bankers Samuel Montagu and brokers James Capel, will launch a prospectus in June. Forecasts are for profits of about £16m this year.

Kenwood Appliances, which was bought by management and Candover Investments from Thorn EMI for £56m in 1989, will have a market value of between £80m and £100m, said Mr Timothy Parker, the 36-year-old chief executive.

Although the flotation date has not been set, Mr Parker said it was likely to be after annual results are published in June.

The nine-strong management team will end up with about 10 per cent of the Kenwood shares, he added.

The group aims to raise between £40m and £50m, the bulk of which will be used to pay off Kenwood's £35m debt.

Sales for the year to the end of March 1992 had increased from £76m to £90m, Mr Parker said. Forecasts are for pre-tax profits of more than £9m.

Rationalisation costs leave Jourdan £519,000 in the red

THOMAS Jourdan, the industrial conglomerate, traded at break-even in 1991 but after exceptional charges ran up a loss of £519,000, compared with a profit of £1.21m.

The final dividend is again 1p, but that means a cut from 2.5p to 1.5p in the total. Losses per share were 1.47p (earnings 5.92p).

Sales dropped by 16 per cent to £25.5m but four of the five subsidiaries traded profitably.

However, losses at Woodstock Furniture and £539,000 exceptional rationalisation expenses (£322,000 credits) led to the year's deficit.

The scale of Woodstock's operations were cut back sharply both in 1991 and early 1992 but, like other luxury kitchen makers, it suffered from much lower domestic demand because of the inactivity of the housing market and lack of consumer confidence.

In the other sectors (electric appliances, household textiles, china and pottery, brushes) action taken was a combination of seeking additional business and cutting back fixed overheads at least in line with the decline in sales.

Despite the adverse trading gearing was cut from 20 per cent to below 10 per cent through control of working capital and particulary by control of stocks.

Five Oaks Investment makes good progress

CONSIDERABLE progress was made by Five Oaks Investment, the property group, in the six months ended December 31 1991, the pre-tax loss being cut from £7.88m to £371,000.

Rental income improved from £1.48m to £1.56m, while sales from investment properties were only £207,000 (£1.12m). The biggest factor, however, was no provision for reduction in value of completed developments, against £8.8m last time.

Vacant space in the income producing portfolio had fallen from 5.8 per cent at the year-end to only 3.5 per cent to date.

In February the Court confirmed the scheme to offset the deficit on distributable reserves. No ordinary dividend can be recommended yet, nor, in the absence of reserves, can preference payments be resumed.

Ramco Oil halved to £526,000

Ramco Oil Services, USM-quoted provider of tubes for the oil industry, reported halved profits in 1991 on turnover down from £4.78m to £4.11m.

Pre-tax profits were £526,000 (£1.13m) with the fall at the operating level from £1.2m to £343,000. Earnings were down from 3.96p to 2.39p but the dividend is held at 2p per share.

Mr Stephen Kemp, chairman and chief executive, said prospects were good.

NEWS DIGEST

Acorn back to annual profit

ACORN COMPUTER Group covered from its first half loss to record a pre-tax profit of £274,000 for 1991, compared to £1.58m.

The previous year included £561,000 exceptional credits.

Sales in the second half regained the levels of previous years to finish at £40.9m (£45.5m), gross margins were improved and operating expenses well controlled.

With interest costs falling as the cash position improved, the second half provided a profit of £694,000. Earnings for the year were 0.4p (2.4p).

Over the year the opening overdraft of £6.5m was turned into a cash balance of £1.4m by December 31.

The group retained its position as the leading supplier in its major market, UK education. However, spending in the consumer market was severely hit by the recession.

The Australian and New Zealand companies were making good progress.

Clayton pays less

Clayton Son & Co (Holdings), the engineering group, finished 1991 with a pre-tax loss of £491,000, after £314,000 at the half way stage, and is cutting the final dividend to 3p.

The interim was omitted. In the previous year the interim was 2.5p and the final 9.3p, from pre-tax profits of £543,000.

Turnover in 1991 improved from £17.4m to £19.7m but generated a loss of £202,000 (profit £642,000). Net interest payable rose to £297,000 (£42,000).

Losses per share were 8.89p (earnings 13.8p).

Youghal loss up

Increased pre-tax losses of I£3.7m (£3.4m) were announced by Youghal Carpets (Holdings), the County Cork-based carpets and textiles group, for 1991. For 1990 the loss was I£2.84m.

The directors said the results were severely affected by the recession in the UK where demand for carpets had been affected by the slowdown in house sales.

In the Irish Republic carpet sales were in line with the previous year. A fall in yarn sales also reflected the difficult market conditions in the UK. Strenuous efforts were being made to control costs.

Turnover dropped to I£48.3m (I£55.2m) with an operating loss of I£1.33m (I£255,000), and there was an exceptional loss of I£456,000 (I£401,000) being mainly redundancy costs.

Loss per share amounted to 8.33p (6.09p).

Usborne in red

Usborne, the agricultural services, property and motor products group, fell into pre-tax losses of £4.12m in the 1991 year against profits of £1.63m.

Continuing businesses were profitable but the results were hit by a £4.1m share of an associates loss and losses connected with discontinued businesses of £1.17m. The company said the continuing businesses made profits in the early months of the present year.

Turnover was £210m (£193.9m). After a tax credit of £167,000 (£531,000 charge) and an extraordinary charge of £163,000 (£648,000) there was a loss for the year of £4.05m (£529,000).

Losses per share were 6.03p (1.68p earnings). A reduced final dividend of 0.3p is proposed making 0.4p (1.5p) for the year.

Downiebrae declines

Pre-tax profits at Downiebrae Holdings fell from £634,000 to £423,000 in 1991, and the dividend is halved to 0.5p per share.

Turnover improved to £1.56m (£1.5m) but trading profit slumped to £5,700 (£53,000) as margins came under pressure. Pipe flange manufacturing lost £9,000 (profit £3,000) and profile cutting made profits of £15,000 (£50,000).

Net rental income was static at £54,500, interest on cash deposits fell to £85,000 (£124,000) and investment income to £393,000 (£499,000).

Earnings per share worked through at 1.93p (3.19p).

CROSS BORDER M&A DEALS

BIDDER/INVESTOR	TARGET	SECTOR	VALUE	COMMENT
Total (France)	Petrogal (Portugal)	Oil	£518m	Portugal's biggest privatisation yet
Solvay (Belgium)	Unit of Tenneco (US)	Minerals	£282m	Strengthening No 1 position
ICI (UK)/Du Pont (US)	Agreed Swap	Acrylics/ nylon	£250m	ICI continues restructuring
Philip Morris (US)	Tabak (Czechoslovakia)	Tobacco	£118m	60% stake approved
Ivax Corp (US)	Waverley Pharmaceutical (UK)	Pharmaceuticals	£22m	Continuing Euro expansion
Cookson (UK)	Leach & Garner (US)	Industrial materials	£10.1m	Leach puts outstanding 50%
IBM (US)	MT-Computers (Hungary)	Computers	n/a	Majority stake
International Platinum (Canada)	Jameson Exploration (S Africa)	Platinum exploration	n/a	SA becoming attractive
Flexible Ducting (UK)	Matzen & Timm (Germany)	Ducting	n/a	Furthering strategic expansion
Guoco Group (Hong Kong)	Benchmark Bank (UK)	Banking	n/a	Follows Hoare Asia buy

Source: FT Mergers + Acquisitions International

Groupe Bull announces 1,100 further job cuts

By William Dawkins in Paris

GROUPE BULL, the French state-owned computer maker, yesterday announced 1,100 fresh job losses to sharpen its competitiveness in the recession-hit computer industry.

This follows the 9,000 job cuts made over the past 18 months, as part of a complete overhaul by Mr Francis Lorentz, chairman, of the previously cumbersome and bureaucratic company's organisation.

The new reductions, all in France, represent 2.76 per cent of the 39,800-strong world workforce, on top of the 19 per cent reduction made last year. Bull has 16,400 staff in France.

Francis Lorentz: making complete group overhaul

The job losses come on top of Bull's original restructuring plan, but are part of the same aim of streamlining the group structure and boosting efficiency, said officials.

The net loss of jobs will be less severe because Bull is also hiring new staff to work on its wide-ranging technology, research and commercial alliance announced in January with International Business Machines of the US.

These posts will be offered to those due to lose their old jobs, and all involved will be offered retraining or help to find alternative employment. Bull said it hoped to avoid redundancies. The plan has won the approval of the group's works council.

The move comes three weeks after Bull said it more than halved losses to FFr3.3bn ($590m) net last year, from a record FFr6.79bn in 1990. It warned it did not expect to break even until next year, rather than 1992 as planned.

Goodyear results beat forecast

By Karen Zagor in New York

GOODYEAR Tire & Rubber, the sole surviving big US tyre-maker, has reported strong first quarter results which exceed the company's earlier estimates.

Net income for the three months to March 31 was $66.3m, or 94 cents a share, against a loss of $90.1m, or $1.54, a year earlier. Last year's results included after-tax restructuring charges of $59.7m or $1.02 a share.

Sales for the quarter were $2.8bn compared with $2.5bn.

Earlier this month, Goodyear predicted first-quarter sales of about $2.7bn with net income reaching $60m to $65m.

Mr Stanley Gault, chairman, attributed the sales growth to increased automotive industry production and higher sales of replacement tyres. He said: "Contributing to the continued earnings improvement were production efficiencies resulting from higher utilisation of capacity and lower raw material costs, both of which led to a decrease in the cost of goods sold as a percentage of sales."

Operating income from Goodyear's tyre business climbed to $186.6m from $62.8m on sales that rose 11.6 per cent to $2.3bn. Unit tyre sales rose 16 per cent in the quarter.

Goodyear's general products business had operating income of $52.9m, up 60.3 per cent in the quarter, on sales that rose 5.9 per cent to $485.3m.

During the latest quarter, Goodyear narrowed its operating loss from its oil transportation segment to $9.3m from $25.1m a year ago.

US retailers show improvement

By Nikki Tait in New York

TWO bankrupt US retailers, Ames Department Stores and California's Carter Hawley Hale, have reported results for the quarter ended January 1992 showing some improvement in their operations.

Carter said it made a $36.2m profit before interest expenses, reorganisation costs and other non-operating items, in the 13 weeks ended February 1, compared with a $16m profit last time. Sales were $693.3m against $753.3m. However, $113.9m for reorganisation costs meant that the net loss widened from $72.7m to $102.3m.

At Ames, there was a small after-tax profit of $8.1m in the three months to January 25, compared with last time's $26.8m deficit – the first since it filed for bankruptcy protection in April 1990. The company had sales of $816.4m, against $945.8m in the same period a year earlier.

Meanwhile, at R. H. Macy, the New York-based retailer which also filed for Chapter 11 earlier this year, control of the company's board is in the process of reverting from "inside" managers to "outside" directors. Macy was subject to a $3.5bn leveraged buy-out in 1986, and managers held a majority of board positions prior to the bankruptcy.

However, a spokesman for the company said that a clause in the buy-out agreement specified that board control would revert to outside investors if bankruptcy occurred – and procedure had, accordingly, been put into effect.

● *Alexander's*, another ailing New York department store group, declined to comment in a response to an inquiry by the New York Stock Exchange on a sudden rise in its shares.

First-quarter setback for Royal Trustco

By Robert Gibbens in Montreal

THE RECESSION, higher non-performing loans and lower spreads reduced profit at Royal Trustco, Canada's second-largest trust company, in the first quarter.

Profit was C$24m (US$20.3m), or 6 cents a share, down 38 per cent from a year earlier. Loan volume was weak and assets dipped C$4bn to C$36.6bn from a year earlier.

Expenses remained relatively high, while non-performing loans are mostly in the depressed real estate sector. At March 31 they totalled C$1.1bn, including C$440m for the British subsidiary and the balance in north America.

Royal Trustco is the key financial services unit of the Bronfman interests of Toronto.

● Toronto Dominion Bank has had its credit rating reduced slightly by Canadian Bond Rating Service because of problem loans in the troubled *Ontario economy*.

Net non-performing loans rose to 2.9 per cent of total loans at October 31 last, and although they have since declined slightly, they are still higher than the industry average.

● Midland Walwyn, Canada's biggest retail brokerage, earned C$11.4m, or 37 cents a share, in the first quarter, up from C$3.5m, or 27 cents a share, a year earlier.

WMC warns of strike impact at nickel mine

By Kevin Brown in Sydney

WESTERN Mining Corporation (WMC), the Australian resources group, said production at its Kambalda nickel operations in Western Australia had been seriously affected by industrial action in the three quarters to the end of March.

Mr Hugh Morgan, managing director, said overall production was satisfactory, but nickel and gold output had been affected by the company's long-running dispute with the miners' union.

WMC's third-quarter production report showed that ore treated at Kambalda fell to 763,000 tonnes over the first nine months, compared with 910,024 tonnes in the comparable period of the previous year.

The company has been in dispute with the unions at Kambalda since last year. A 19-day strike ended earlier this month when workers were ordered to return by the Western Australian Industrial Relations Commission.

WMC says negotiations are continuing, but claims that Kambalda can only remain open if workers agree to replace five-day mining in shifts with continuous mining over seven days.

The group announced in November that it intended to abandon plans for a A$105m (US$80.7m) expansion of nickel production at Kambalda because of opposition from the union, which it said had "reneged" on an earlier deal.

The proposed expansion would have increased deep mining at several mines in the Kambalda area, where WMC produces around 35,000 tonnes of nickel a year.

The project was part of a A$400m programme intended to increase the group's nickel output to 65,000 tonnes a year from 53,000.

NRI TOKYO BOND INDEX

December 1983 = 100	23/4/92	Average yield† (%)	Last week	12 wks ago	26 wks ago
	PERFORMANCE INDEX				
Overall	172.07	5.52	172.20	170.98	164.48
Government Bonds	170.37	5.43	170.71	169.92	162.73
Municipal Bonds	173.39	5.99	173.00	172.60	166.71
Govt.-guaranteed Bonds	176.15	5.97	175.78	174.90	169.15
Bank Debentures	168.33	5.23	168.50	166.69	160.68
Corporate Bonds	174.88	6.28	174.68	172.68	166.85
Yen-denom. Foreign Bonds	179.59	6.86	179.36	176.81	171.95
Government 10-year†	5.82		5.74	5.56	5.97

† Estimated par yield

Source: Nomura Research Institute

SBC fails to match previous year

By Ian Rodger in Zurich

SWISS Bank Corporation said its after tax operating income "did not quite match 1991's excellent first quarter performance".

No figures were revealed, but the bank, Switzerland's second largest, said income from trading was 3.9 per cent lower and net interest earnings were below last year's levels. On the other hand, it claimed, commission income was up a substantial 16.4 per cent and income from the derivatives business also grew.

The bank's total assets grew by SFr4bn ($2.6bn) since the beginning of the year to SFr172.7bn, primarily as a result of currency movements. The shift towards customer lending continued with inter-bank lending down 3.4 per cent and customer lending up 4 per cent to SFr109.7bn.

Interbank deposits dropped by 5.1 per cent, or SFr2bn, while customer deposits, mainly in demand and time deposits, rose 6.3 per cent.

● Union Bank of Switzerland, Switzerland's largest, said its net profit in the first quarter was higher than in the same period last year, with all businesses except capital markets contributing. Also, the contribution from foreign branches and subsidiaries to the consolidated result was slightly weaker.

● Bank Leu said this year's first quarter profits were satisfactory but did not give figures. It said earnings from foreign exchange and precious metals trading rose substantially, while interest earnings and commission income increased slightly.

The bank, part of the CS Holding group, was unable to repeat the very good result achieved in securities business in the first quarter of 1991.

China Light advances 13% to HK$1.55bn

By Simon Davies in Hong Kong

CHINA Light and Power, the *Hong Kong utility controlled* by the Kadoorie family, announced HK$1.55bn (US$200m) profits after tax and transfers under the Government Scheme of Control for the six months ended March 1992.

This represented a 13 per cent increase from the HK$1.37bn in 1991 and was broadly in line with market expectations. CLP said that present indications suggested a slow down in the growth of earnings for the full year.

Turnover increased 14.4 per cent to HK$5.6bn from HK$4.9bn while profit after tax but before scheme of control transfers increased 38 per cent to HK$1.28bn.

The directors declared a second interim dividend, representing a half year pay-out of 44 cents. This was 22 per cent higher than 1991.

Girozentrale in public offering

GIROZENTRALE, Austria's third largest bank, plans an initial public share offering later this year aimed at widening its ownership beyond the saving banks which presently control it, writes Eric Frey in Vienna.

Mr Hans Haumer, chairman, said Girozentrale has approved capital of ASch500m which it can offer as common stock to the public and convert its publicly traded profit-sharing notes, a hybrid between debt and equity, into preferred shares. Timing or terms were not specified.

Japanese stores turn in sharp falls

By Steven Butler in Tokyo

JAPAN's department stores saw profits fall sharply last year as business conditions turned sour following a period of rapid expansion that left companies saddled with high depreciation expenses.

Supermarket chains none the less reported rising sales and profits as foodstuffs remained one of the few areas of consumer spending unaffected by the downturn in the economy.

Mitsukoshi, Japan's largest department store group, said pre-tax profits fell by 43.1 per cent to Y10.99bn ($81.7m) in the year to the end of February. Sales rose by a sluggish 1.1 per cent to Y876.6bn as consumers reduced purchases of luxury items.

Mitsukoshi blamed the profit decline on a rise in capital investment, and said that capital spending in the current fiscal year would be Y25bn below last year's Y68.3bn. After-tax earnings were down by 38.3 per cent to Y5.0bn, and the company said net earnings were expected to decline by another 25 per cent in the current year.

Takashimaya said its pre-tax profits fell by 34.8 per cent to Y13.35bn, while sales rose by 9.8 per cent to Y839.8bn. Management costs and the cost of sales both rose, while financing costs increased.

The company reported a 73.9 per cent plunge in after-tax profits to Y5.1bn and predicted that another difficult year lay ahead.

Matsuzakaya said pre-tax profits fell by 30.2 per cent to Y10.02m in the year to the end of February, the first decline in eight years.

Although sales rose by 7.6 per cent to Y501.96m, depreciation costs doubled to Y8.6bn. After-tax profits were off by 73.3 per cent to Y4,027m.

Pre-tax profits at Daimaru were off by 39.4 per cent to Y6.07bn as a result of the higher cost of sales and rising interest payments. Sales were up marginally to Y608.3bn as clothing and art sales were hit.

Net profits were boosted by an extraordinary gain of Y1.1bn in land sales, but were still down by 9.7 per cent to Y3.19bn.

In the supermarket sector, Daiei, which boasts the largest sales, enjoyed a rise in pre-tax profits of 3.3 per cent to Y27.54bn. Sales rose by 10 per cent to Y2,025.9bn, boosted in part by Daiei's takeover of its affiliate in Hokkaido.

After tax, profits rose from Y8.9bn to 9.3bn, and Daiei said profits would continue to rise this year, in part because of its recently established ties with Chujitsuya, a supermarket company active in the Tokyo area.

Ito-Yokado, which controls the Seven-Eleven chain, reported a 9.4 per cent rise in pre-tax profits to Y97.1bn. Sales were up by 7.7 per cent to Y1,459.6bn. After-tax profits were up by 21.8 per cent to Y53.7bn.

INTERNATIONAL CAPITAL MARKETS

UK GILTS

Attention turns to £2.5bn auction

ALL eyes in the gilt-edged securities market will be fixed on Wednesday's auction by the Bank of England of £2.5bn worth of long-dated gilts – the biggest gilt auction so far.

There is some nervousness in the market both due to the large volume of bonds and also because no one knows to what degree the class of securities on offer will appeal to overseas investors.

Any problems encountered by the Bank in selling the bonds – 8.75 per cent Treasury stock maturing in 2017 – would set poor auguries for the other auctions being planned for later this year.

It appears the Bank will need to organise at least one auction every two months during 1992-1993. This will be part of the programme of selling £30bn or so worth of gilts – with the money raised funding Britain's public sector borrowing.

In theory, such a large amount of gilt issues could depress prices and push up yields because of a surfeit of supply over demand.

According to Mr John Shepperd, an economist at S.G. Warburg Securities, securities maturing in 2017 are in a part of the yield curve where overseas interest is difficult to gauge. Many of the bonds on offer this week and in later auctions will probably need to find homes in non-UK institutions if Britain is to find enough buyers for the bonanza of securities which will be issued over the year.

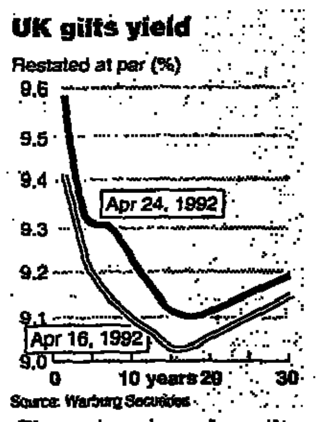
However, the events of the past few weeks have probably cheered the Bank as German and Japanese investors in particular have emerged among the strong buyers of gilts since the election.

Inflows of cash from such investors have also been a factor boosting sterling, which has gained from DM2.85 before the election to just under DM2.93 at the end of last week.

Strong overseas support for gilts has led to a broad rise in prices since early April, although last week this went slightly into reverse. The short-dated Treasury 10 per cent bond maturing in 1994 lost ¾ of a point to close on Friday at 100 11/32 for a yield of 9.55 per cent – as against 9.4 per cent the week before.

There was a ¼ point fall for the longer-dated 9 per cent Treasury security due in 2008, which closed at 99 7/8. Its yield correspondingly rose somewhat, from 9.03 per cent to 9.06 per cent.

UK gilts yield



Source: Warburg Securities

The price drop for gilts partly took its cue from a corresponding fall for German government bonds – which act as the benchmark for much of the European bond market. German bonds fell back as a result of a large increase in the German money supply. That indicated that inflationary pressures remain strong, and thus diminished the prospects of an early cut in borrowing rates by the Bundesbank.

In Britain, hopes early last week that the Treasury might soon sanction a cut in UK base rates, held at 10.5 per cent since September, fell back later. That was largely on calculations that the UK's room for manoeuvre on changing borrowing costs would be limited by the probability that the Bundesbank would keep its own rates high for the foreseeable future.

Economic data published last week in the UK had little influence on the gilt market. The statistics were mainly shrugged off on the basis that they applied to March, prior to the election result which many in the City argue may set the scene for a weak economic recovery later this year.

However gilt yields could be pushed up if any evidence over the next two months points to a stronger recovery than has so far appeared to be likely. Indications of a revival were pointed to mainly by the latest trade statistics which showed the underlying volume of imports grew by 3 per cent in the first quarter compared with the final three months of 1991. Underlying export growth over the period was flat, underlining the slowdown in the world economy which might damp the pace of any UK upturn – a development which would restrain inflationary pressures and so act as a spur to gilt prices.

Peter Marsh

US MONEY AND CREDIT

Yields have only one way to go

ONCE again long-term bond yields have risen above 8 per cent, but unlike six weeks ago, it is likely that this time they will will stay there.

Historically, bond yields bottom out when a recession ends, and ascend alongside the economic recovery. Given that even the most bearish of commentators now admits that the US economy has slipped the shackles of recession, that domestic interest rates and inflation have probably reached their lows, and that supply pressures linked to the Budget deficit will continue to weigh on Treasury prices, bond yields have only one way to go from here, and that is up.

The economists at Donaldson, Lufkin & Jenrette, the Wall Street broking house, succinctly sum up the outlook for the Treasury markets in their latest circular, which targets 6 per cent on the two-year note and 8.5 per cent on the 30-year bond by the year end.

Say the folk at DLJ: "Our forecast continues to be based upon the perception of economic activity accelerating to 3 per cent, inflation not receding below 4 per cent, Treasury financing needs continuing to exert pressure on the market, likely increases in long bond offering sizes, and moderate policy firmings by the Fed during the second half of the year. We currently see little opportunity for even a short-run significant rally in bond prices."

The most recent economic statistics – for March durable goods orders and unemployment insurance claims – leave little doubt that the recovery is well under way, although how fast that recovery will progress remains in doubt.

The clearest evidence yet of recovery will be available tomorrow, when first quarter Gross Domestic Product (GDP) figures are released. Forecasters are expecting GDP to have risen somewhere between 1.5 per cent and 3 per cent in the opening three months of the year, with consumer spending shown to have risen at an annual rate of 3.5 per cent over the period.

Also expected out in a busy week for figures are April consumer confidence (forecast to increase to 57 per cent), March new and existing home sales (both projected to fall slightly), March personal income and spending (up about 0.3 per cent), March factory orders (up 1.2 per cent) and April's purchasing managers' report (which is expected to rise to 55 per cent).

If the economic numbers fail to push yields any higher, the quarterly refunding announcement could do the job just as well. Much of last week's decline in prices, and the rise in yields above 8 per cent, was due to concern among dealers already loaded with inventory about the approaching refunding round.

Estimates of the size of the May refunding operation centre around $37bn or $38bn, slightly higher than the previous quarter's $36bn, with the extra supply spread evenly among three-year and 10-year notes, and 30-year bonds.

Patrick Harverson

SWEDISH BONDS

Investors receive confusing signals

IT HAS been a week of mixed news for Sweden's government bond market.

The good news came in two doses: first a statement from the governor of the Central Bank saying he wanted to see the krona tied more closely to the European Monetary System; and secondly a firm commitment from the Centre-Right coalition government, which came to power last autumn, to its policy of low inflation.

The bad news was the fact that Sweden's forecast budget deficit is well above earlier expectations, leading to concern about government borrowing.

"We want the present unilateral linkage of the krona to the Ecu to be replaced by a system whereby the krona is tied to each individual EMS-currency with a central rate around which the exchange rate fluctuation is permitted to be plus/minus 2.25 per cent," said Mr Bengt Dennis, governor of the Riksbank, on Thursday. "That is the system which the majority of EMS countries use and which we will put into practice when we become members of the EC."

He added that by doing so, the krona's theoretical exchange rate fluctuation against the majority of EMS currencies would be almost halved.

"A closer link to the other EMS currencies would definitely mean less fluctuation in the krona, reduce the risk of future devaluations and force a tight monetary policy," said one Swedish banker.

Friday's supplementary budget also contained some welcome news for the bond market. Mrs Anne Wibble, the finance minister, stressed her government's commitment to keeping inflation down, overturning years of high inflation under the Social Democrats.

Consumer prices (December-to-December) increased by 10.7 per cent in 1990 and by 8 per cent last year, but are forecast to rise by only 2 per cent in 1992 and by 2.2 per cent the year after, the Centre-Right government said.

However, concern about the size of the budget deficit rather overshadowed the good inflation projections. The central government budget deficit for the 1992-1993 fiscal year (which runs from July 1-June 30) is estimated at SKr101.8bn, corresponding to 6.9 per cent of GDP.

Only four months ago, the government had forecast a figure of SKr71bn, so the more pessimistic revision came as a rather unpleasant surprise. The government warned that there would be a further weakening in the 1993-1994 fiscal year before the deficit started to decrease.

Sara Webb

EUROPEAN BONDS

Despondent mood spread by Germany

A LITANY of bad news from Germany last week, dashing hopes of an imminent interest rate cut, left European bond markets in despondent mood. The mounting threat of strike action over pay settlements, coupled with a leap in German monetary supply, sent European bond prices tumbling, since it has effectively put further interest rate cuts elsewhere in Europe on hold.

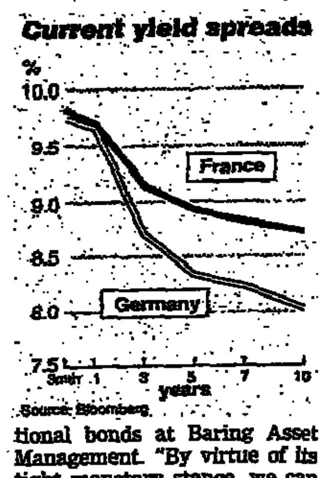
"Speculation about unilateral easing of interest rates ahead of Germany is misguided," said Mr Steve Major, senior European bond analyst at Crédit Lyonnais Euro-Securities.

The expected delay in interest rate cuts has refocused attention on Europe's higher yielding bond markets. The UK gilts market stands to benefit most, particularly with currency worries out of the way, and the possibility of a move into the narrow band of the ERM in the air. In addition, Italy – despite political uncertainty – and Spain also appear attractive. So far this year the spread between Spanish and German bonds has narrowed nearly 50 basis points.

If the lowering of interest rates is put on hold by the Bundesbank, the higher yields available in these markets are more attractive in the meantime.

"In a way, the Bundesbank is doing us a favour," said Mr John Hesket, head of international bonds at Baring Asset Management. "By virtue of its tight monetary stance, we can be sure that inflation is going to be killed, and so rely on reasonably high real returns."

Current yield spreads



Source: Bloomberg

Of all the European markets, the Ecu bond market looks in worst shape. Growing concern over the ratification of the Maastricht treaty continues to depress the market.

Although European bond markets have so far failed to attract the substantial shift of funds predicted at the start of the year, other leading bond markets are far from enticing.

"When the shift comes, it will be into European bonds, but no one is in what could remotely be described as a hurry," said Mr Kit Juckes, international economist at S. G Warburg.

Tracy Corrigan

FT/ISMA INTERNATIONAL BOND SERVICE

U.S. DOLLAR STRAIGHT	Issued	Bid price	Chg on week	Yield
ABBEY NATIONAL 9 3/4 94	200	106 1/4	-1/4	6.10
ABN 9 1/8 94	200	105	-1/4	6.65
AETNA LIFE & CAS 7 3/4 16	200	102 1/2		7.55
ALBERTA PROVINCE 8 5/8 96	750	104 3/4	-1/4	7.32
ALBERTA PROVINCE 9 3/8 95	600	107 1/2	-1/4	6.87
AMERICAN EXPRESS ZERO 00	450	47 3/4	-1/4	8.91
AMERICAN GENERAL 9 3/4 95	100	105 1/2	-1/4	7.72
AMERICAN INTL 0 04	750	35 1/2	-1/4	8.78
ASIAN DEV BANK 0 04	1000	36 1/2	-1/4	8.59
ASIAN DEV BANK 8 96	100	101 1/4		7.49

	Issued	Bid price	Chg on week	Yield
SAS 10 99	200	104 3/4	-1	9.00
SAS 10 1/8 95	150	106 1/4	-1/4	7.86
SBAB 9 1/2 95	500	107 1/4	-1/4	6.82
SBC FINANCE 7 3/4 96	200	102 1/4	-1/4	7.12
SEAGRAM CO 8 1/2 96	100	101 1/2	-1/4	7.93
SEARS EURO TRUST 8 3/4 96	750	102 1/2	-1/4	7.91
SEARS O/S FIN 0 98	500	60 1/2	-1/4	8.46
SEARS ROEBUCK EURO 9 3/4 95	500	105 1/2	-1/4	7.75
SNCF 7 1/4 94	175	102 1/2	-1/4	5.54
SNCF 9 1/2 98	150	108 5/8	-1/4	7.69

SWISS FRANC STRAIGHTS	Issued	Bid price	Chg on week	Yield
ASIAN DEV BANK 6 10	100	89 1/4	-1/4	7.05
AUSTRIA 4 5/8 98	100	90 1/4	+1/4	6.70
CHUBU ELEC POWER 6 3/4 01	300	99 1/4		6.78
COUNCIL EUROPE 4 3/4 98	250	89		7.12
EEC 5 1/2 00	100	90 1/2	-1/4	7.00
EIB 6 1/2 98	800	99 1/2	-1/4	6.59
ELEC DE FRANCE 7 1/4 06	100	102 1/2		6.96
FINLAND 5 3/8 95	150	95	+1/4	7.01
GENERAL MOTORS 7 1/2 95	100	99 3/4	-1/4	7.59
JAPAN DEV BK 5 1/2 94	100	95 1/4	[illegible]	8.12

[illegible]

SYNDICATED LOANS

Aircraft deal provides further test for India

A $600m loan to finance the purchase of aircraft for Air India is expected to be put out for syndication among banks in London later this week, the latest test of the growing confidence among international bankers in the country's economy.

India's access to international capital has been greatly enhanced since its budget in February. Measures to open up the economy to greater competition, reduce the budget deficit and allow partial convertibility of the rupee have encouraged a growing group of financiers to lend to the country again.

The purchase of four Boeing 747-400 aircraft by Air India was backed late last year by ANZ and Citicorp, which together advanced $600m as a bridging loan pending completion of export credit agreements. With that process now complete, the banks are understood to be ready to put the deal out to syndication, a move that will test the international banking community's willingness to advance a substantial credit to the country.

India's rehabilitation in the eyes of the international banking community was demonstrated with the completion of a $100m credit earlier this month to pay for imports of crude oil and petroleum products.

The lending margin on the facility was set one third lower than on a similar credit arranged six months ago, signalling greater confidence in the Indian economy. The latest oil-related credit was the first significant facility to be arranged since the February budget.

The 180-day syndicated bank credit, arranged in London by ANZ Grindlays for Indian Oil Corporation, bears an interest margin of 1 percentage point over the London interbank offered rate (Libor). The banks charged a 1.5 point interest margin for a similar facility for IOC agreed last November.

Other credits to India are expected in the coming months. Eximbank of the US has made clear that it will back $1bn-$2bn of exports to the country.

"The positive signs have encouraged companies to look at India as a market to sell capital goods," says one banker involved in recent credits for the country.

The partial convertibility of the rupee is likely to change the financing of imports of capital goods into India. Rather than being forced to borrow in foreign currency to finance imports, Indian companies are now able to convert rupees to pay for foreign purchases, potentially reducing the demand for foreign currency lending.

Richard Waters

INTERNATIONAL BONDS

Spotlight on credit analysis

FOR EVIDENCE that a corporate bond market is developing in Europe, look no farther: a band of specialist credit analysts is springing up around the City of London, bringing a new approach to European bond investment.

The new breed of fixed income analysts is no different in many ways from the army of equity analysts that already follows the most heavily-traded stocks. The name of the game is the same, to spot undervalued securities and tip off investors about their merits.

Investors remain concerned primarily with currency and maturity when picking bonds to buy. Credit comes a poor third: provided a bond carries a single-A rating from one of the leading rating agencies (or, for some choosy investors, a double-A) then many investors look no farther.

Two things are changing. One is the growing list of European companies that is looking to tap the international bond markets.

According to Mr Mike Denham, head of fixed income at Prudential, one of the few UK investment institutions to start developing in-house credit skills: "We expect to see some increased opportunities in the debt markets due to the increasing disintermediation of banks. That means we have to have a better understanding of credit quality."

The second change is the EC's progress towards monetary union. Convergence of European bond yields may have been put on hold temporarily, but few in the bond market doubt that economic and monetary convergence between members of the EC will continue in the long term.

As that happens, there will be less opportunity to turn a profit by playing the spreads between different European currencies – and so a greater attention to the spreads between different credits.

US banks – which, thanks to the more developed US bond market, have experience in credit research since the mid-1970s – are among the leaders in developing specialist analysis in London, although they are far from alone. J.P. Morgan Securities, for instance, imported a credit analyst from the US 18 months ago and now has three people working in the area in London. Merrill Lynch appointed its first credit analyst in London three years ago, while Morgan Stanley has followed suit more recently. Among European banks, UBS has recently appointed a credit analyst to work in its debt and treasury division.

Credit Suisse First Boston has been in the business longer than most, with its first analyst in place five years ago. But it, too, has been developing recently, bringing together its internal credit analysts with others who advise investors to create a five-person team. CSFB's analysts have been organised on industry lines, much as equity analysts are usually organised.

Almost without exception, all these banks expect to recruit more specialist analysts in the near future.

Growing attention to credit analysis has given birth to a new kind of literature from the bond-market houses, similar to the "tip sheets" sent out by equity analysts. Recent examples: a paper on the UK property sector from CSFB, a disquisition on the virtues of Welsh Water from Barings, and an analysis of the relative value of selected Eurodollar credits from J.P. Morgan.

Does this signal tough new competition for the rating agencies, which until now have had a virtual monopoly on public credit information?

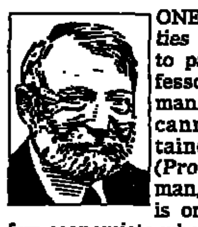
Not necessarily, since the independence of the credit analysis emanating from bond houses may at times be open to question. Much of it is part of a service to corporate clients, generated to back up new bond issues launched by a particular house. Other research is intended to stimulate investors to trade.

Rating agencies, though, offer no comment on the value of securities. They are also frequently criticised for being late when changing their ratings – leaving plenty of scope for analysts to delve for undiscovered value in the growing European corporate bond market.

Richard Waters

Anthony Harris

The coming fall in real rates



ONE of the certainties in economics, to paraphrase Professor Paul Krugman, is that what cannot be sustained will stop. (Professor Krugman, by the way, is one of the very few economists who can be recommended as light reading.) What has to adjust will adjust. The trick is to guess when and how we will do it. Now apply that thought to real interest rates.

Real rates have been unusually high for some time now, and some forecasts circulating seem to assume that this is the new normality; but in the long run, it can't be. Existing private borrowers pay high real rates – high in comparison with expected price increases in their own line of business – because for the time being it looks preferable to bankruptcy. But this simply deepens the hole they are in. Unless rates fall, or prices rise, they will simply go broke later, as is becoming uncomfortably obvious at the moment.

Governments can play ostrich rather longer. They cannot forever pay rates that are higher than the real growth of the economy; that is the true definition of the debt trap. For long periods, though, they can neglect the problem; or they can get away with it through asset sales or by raising taxes. While this goes on we remain trapped in our present situation, in which private borrowers are crowded out of the market, simply refused credit at any price. Government meanwhile wonders why the forecast recovery never comes.

In the end, slow growth cuts revenues, the assets run out, while higher taxes stifle real growth, and so further reduce the real rates which are affordable. A vicious circle, in short. The adjustment will then come in one or all of three ways: inflation, or default, or better policies. There are no other possibilities.

Blank default is probably only conceivable in one or two countries which have especially heavy public debt which is still growing faster than the economy. In Italy, for example, there are already early signs of a buyers' strike in the bond market. Inflation, which is what made the Italian deficit system work for so long still looks likelier; the market is trying to discount both possibilities.

British investors, watching foreign investors bid for our gilts, may feel smug. But it is currently fashionable to compare the 1990s with the 1930s; so it is worth remembering that in 1932 the British government invented a half-respectable form of default, by calling in high-coupon gilts before redemption date, and replacing them with 2½ per cent stocks. This once-in-a-generation trick might appeal to a future British government, if it could hope thereafter to run a balanced budget.

Inflation, though, is rather likelier, and could happen even in a flat economy as it did in the 1930s, through reduced competition. At that time it was officially encouraged, with the Bank of England as the leading sponsor of defensive cartels. Now we have creeping cartelisation – for example the swap-shop now set up by ICI, which was a defensive creation of the 1930s – and creeping protectionism.

This picture of the future may look a little far-fetched, but it looks like the one the market is discounting. If bonds are risky in some sense, and renewed inflation a strong possibility, then the high level of equities on Wall Street, and indeed in London if you allow for thin dividend cover, makes good sense. It is hardly the result that our authorities, including the backward-looking disciplinarians in Paris and in the IMF, intend; they think they are fighting inflation. It is, all the same, the kind of adjustment which may have to happen if they remain obstinate.

Give them the benefit of some doubt, though, and the picture changes. If they wake up to the fact that their squeeze is quite unnecessary in the coming years of banking caution, and if continued stagnation makes the Fed's example more attractive then they can let real rates fall sooner. Bonds are a bull market, but recovery follows – as in the US – some way behind. Then the yield gap closes, and bonds are the place to be. And British investors are also offered an each-way possibility: indexed gilts should rise strongly in any scenario short of official default. Place your bets.

NEW INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Book runner	Offer yield %
US DOLLARS							
Takiron Co(a)♦†	65	1996	4	3⅝	100	Daiwa Europe	3.625
Nippon Syn.Chem.Ind.♦	100	1996	4	3⅜	100	Yamaichi Intl.(Euro)	3.375
Nippon Koshuha Steel♦	60	1996	4	3⅝	100	Yamaichi Intl.(Euro)	3.625
Unibanco(c)†	100	1995	3	10	98.367	Citicorp Invest.Bk.	10.629
Japan Fin.Corp.†	200	2002	10	8	99.95	Bk.Tokyo Capital Mkts.	8.007
DKB.(Nederland)(h)‡†	50	2002	10	(h)	100.05	DKB.International	-
STERLING							
Nationwide Build.Soc.(b)‡	50	1995	3	(b)	99.54	BZW	-
Hanson Plc.†	500	1997	5.5	10⅜	101.288	Crdt.Suisse Fst.Bstn.	10.025
Chelt & Glo'ster B/S.(f)‡†	175	1996	4	(f)	100	Kleinwort Benson	-
Avco Trust Plc†	60	1995	3	10.75	101.025	S.G.Warburg Secs.	10.335
YEN							
Sanyo Electric Co(d)‡†	15bn	1997	5	(d)	100.15	Nikko Europe	-
ECU's							
ABB Finance Inc†	125	1997	5	9	101.575	Cdt.Suisse Fst.Boston	8.599
World Bank(i)‡†	250	2002	10	(i)	100.45	UBS Phillips & Drew	-
SWISS FRANCS							
Asian Develop.Bank†	300	2004	-	7	101.75	Swiss Bank Corp.	6.782
Nihon Nohyaku Co.♦	60	1996	-	4	100	Coutts & Co AG	4.00
Kobe Elec.Railway Co★★♦	90	1996	-	4	100	Bca Dia Svizzera Ital.	4.00
D-MARKS							
Parco Co.♦	100	1996	4	5⅛	100	Daiwa Europe (Dtsch)	5.125
AUSTRALIAN DOLLARS							
Australian Ind.Dev.Corp.†	100	1999	7	10	100.75	Hambros Bank	9.847
St.Bk.of South Australia†	125	2003	11	10½	100.90	Hambros Bank	10.359
CANADIAN DOLLARS							
OKB†	200	1997	5	9	101.56	Lehman Brothers Intl.	8.603
KFW Intl.Finance†	300	2002	10	9½	101.207	Merrill Lynch Intl.	9.309
Confed.Treasury Services†	100	1997	5	9½	101.55	Hambros Bank	9.100
GUILDERS							
Raiffeisenbank†	150	1997	5	8.5	100.925	Rabobank Nederland	8.267
LIRE							
World Bank†	500bn	2002	10	10.4	101.575	Ist.Bc.San.Pio.Torino	10.142
PESETAS							
Council Of Europe(g)†	10bn	1997	5	10.7	101.40	Banco Exter.Intl.	10.328
AUSTRIAN SCHILLINGS							
Nat.Bank of Hungary(e)†	600	1999	7	10.375	100.375	Cd'tanstalt-Bankverien	10.297
LUXEMBOURG FRANCS							
Indousuez Paris†	1bn	2002	10	9.00	102.1	BGL	8.677

★★Private placement. §Convertible. ♦With equity warrants. ‡Floating rate note. ♦Variable rate note. †Final terms. a) Exercise premium fixed at 2.54%. Non-callable. b) Fungible with existing £200m issue. Coupon pays 10bp over 3 month Libor. Non-callable. c) Coupon payable semi-annually. Non-callable. d) Coupon pays 57bp below Long Term Prime rate. Non-callable. e) Amount increased from 500m. Non-callable. f) Coupon pays 15bp above 3 month Libor. Non-callable. g) Matador Bond. Non-callable. h) Coupon pays 6 month Libor plus 50bp for first 2 years, then pays a fixed coupon of 9½%. Callable at par on 18/5/1994. i) Fungible with existing ECU 200m issue. Coupon pays fixed rate of 9½% until 30/7/92, then pays ⅝% below 3 month Libor. Yields calculated on ISMA basis.

THE WEEK AHEAD

ECONOMICS

Contradictory messages about the strength of recovery in the US

THE FOCUS shifts to the US this week where a welter of statistics will be scrutinised for evidence of economic recovery. Few would dispute that it is taking place,but recent data has failed to cast much light on how strongly.

Mr Mark Cliffe, an economist at Nomura Research Institute in London, warns that, although this week's release of the advance estimates of gross domestic product for the first quarter will provide some indication of the strength of the recovery, the contradictory message of its constituents will leave room for a wide range of estimates for the second quarter.

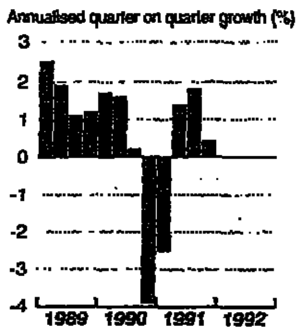
The contradictory messages cited by Mr Cliffe include the retail sales component of consumer spending, which rose by a sharp annualised gain of 9.2 per cent on the previous quarter, and industrial production, which showed a quarter-on-quarter fall of 4.3 per cent.

Highlights of the week ahead, with median forecasts in brackets from MMS International, a financial information company include:

Today: US, March existing home sales; Japan, March retail sales (down 0.1 per cent on year); Australia, March motor vehicle registrations (up 3 per cent); Canada, February employment earnings; UK, first sitting of newly elected parliament.

US GDP

Annualised quarter on quarter growth (%)



Source: Datastream

Tomorrow: US, first quarter GDP – advance (up 2 per cent), first quarter GDP deflator – advance (up 3.2 per cent), fourth quarter after tax corporate profits, first quarter employment, April consumer confidence (56.0), March new home sales (unchanged), presidential primary in Pennsylvania; UK, CBI publishes April industrial trends survey; France, fourth quarter GDP – detailed quarter on quarter results; Japan, provisional figures for March industrial production (down 1 per cent), February leading diffusion index, first quarter corporate service price index; Australia, March manufacturing production statistics.

Wednesday: US, March personal income (up 0.3 per cent), March personal consumption expenditure (up 0.2 per cent); UK, March net new building society commitments (£2.6bn); France, March final consumer price index; Australia, first quarter consumer price index (up 0.5 per cent on quarter, up 2.2 per cent on year); Canada, March industrial product price index (up 0.5 per cent), March raw material price index; Japan Green Day Holiday – all markets closed.

Thursday: US, March factory goods orders (up 1 per cent), March factory goods shipments, March leading indicators (up 0.3 per cent), March Chicago NAPM, April Michigan sentiment, March import price index, March export price index, initial claims for week ended April 18th (410), M1 for week ended April 20 ($5.5bn), M2 for week ended April 20 ($5.8bn), M3 for week ended April 20 ($2.7bn); Japan, March construction orders, March construction starts, March housing starts (down 0.6 per cent); Australia, February import price index; Canada, February real GDP at factor cost (up 0.1 per cent on month), February building permits (up 1 per cent).

Friday: Europe – May Day. Most European markets closed excluding UK; US, April NAPM index (55 per cent), March construction spending (up 0.5 per cent); Japan, April Tokyo consumer price index (up 2.2 per cent on year), excluding perishables (up 2.5 per cent on year), March consumer price index – nation (up 1.9 per cent on year), excluding perishables (up 2.3 per cent on year).

During the week: Germany, April cost of living (up 0.3 per cent on month, up 4.5 per cent on year), March import prices (up 0.4 per cent on month, down 1.1 per cent on year); Italy, March trade balance (– Lr1.8 trillion); France, March unemployment rate (9.9 per cent); Japan, March trade balance – IMF basis, March current account – IMF basis, March foreign bond investment.

Emma Tucker

RESULTS DUE

ICI, the chemicals giant, announces its first quarter results on Thursday. Pre-tax profits are expected to be between £195m and £225m compared with £198m for the same period last year. The figures will include an exceptional profit of between £15m and £20m on the disposal of the salt business.

Analysts' attention will be focused on the pharmaceutical division which in recent quarters has been producing most of the group's profits. Its trading profits are likely to be up on a weak quarter last year, although the results for this March are likely to be poor following price rises in the US.

The performance of the agrochemicals division, which generates much of its profits in March, will also be closely watched, as will industrial chemicals to gauge the extent of the pick-up in the US economy.

Interim figures from **Associated British Foods**, the Sunblest bread to British Sugar group, on Monday are hard to call following the change of year-end to September last year. The half year will include a full contribution from British Sugar, acquired in January 1991, but the income from the diminished cash pile will be lower.

Milling and baking has been a difficult business so estimates are for a fall in pre-tax profits from the £185m comparable figure. The range is wide, from £160m to £175m.

Kwik Save, the discount food retailer, has been the subject of many rumours recently, some of which – such as the management succession – might be explained with Thursday's interim figures. The expectation is for pre-tax profits rising from £48.1m last time to around £52m.

Bad debts will be closely watched at **Travis Perkins**, the builders' merchant, which reports on Wednesday. It is forecast to reveal a sharp decline in annual pre-tax profits from £20.4m to around £13m. However, investors should be reassured by the lack of gearing and the maintained dividend.

DIVIDEND & INTEREST PAYMENTS

TODAY
Alba 1p
Alliance Tst. 29p
Do 4% (2.8% net) Prf. £1.4
Do. 4¼% (2.975% net) Prf. £1.4875
Do. 5% (3½% net) Prf. £1.75
Baring Puma Fd. $0.064
Exchequer 13½% 1994 £6.75
Do. 15% 1997 £7.5
Five Arrows Chile Fd $0.35
Gartmore Emerging Pacific Inv Tst. 0.13p
General Electric $0.55
Macallan-Glenlivet 0.5125p
Molex $0.005
Do. A $0.005
Pacific Assets Tst. 1p
Pifco Hldgs. 3.5p
Do. A 3.5p
Renishaw 2.5p
St. Andrew Tst. 4.65p
Texas Instruments $0.18
Thai Prime Fd. $0.045

TOMORROW
Asahi Breweries 6.3% Bds. 1997 Y164500
Bank of Nova Scotia C$0.26
Bradford & Bingley Bldg. Soc. Fltg. Rate Nts. 1995 £270.39
Canadian Imperial Bank of Commerce C$0.33
Canadian Pacific C$0.08
Dainippon Ink & Chemicals Inc. 6¼% Nts. 1999 3.125pc.
Furukawa Electric 6¼% Bds. 1997 Y156250
Scottish Eastern Inv. Tst. 0.95p
Wessanen (Kon.) NV FL1.88

WEDNESDAY APRIL 29
Abtrust Pfd. Inc. Inv. 2.90625p
Bensons Crisps 2.15p
Capital & Counties 5p
Dartmore Inv. Tst. 2.6p
Instituto de Credito Oficial Stat. Gtd. Fltg. Rate Nts. 1992 $275.14

THURSDAY APRIL 30
Alexon 5% (3.5% net) Prf. 1.75p
Amber Day 10½% Red. Prf. 1999/2002 5.25p
Arcadian Intl. 8% Uns. Ln. 1989/94 £4
Attwoods (Finance) NV Gtd Red. Cnv. Prf. 4.25p
Auto Funding A Fltg. Rate Nts. 1998 £280.14
Baltic 2.5p
Banco de Santander SA Pta110
Bankers Inv. Tst. 10½% Deb. 2016 £5.25
Bank of Montreal Fltg. Rate Debs. Sers. 9 1998 $125
Bank of Nova Scotia Fltg. Rate Debs. 2000 £266.8
Barclays Bank 12¾% 1998 6.1875pc.
Baileys 10% Prf. 5p
Beckenham 9% Red. Prf. 4.5p
Black (Peter) 0.77p
Blacks Leisure 10% Prf. 5p
Blundell-Permoglaze 7¼% Uns. Ln. 1990/95 £3.625
British-American Tobacco 6% (4.2% net) 2nd Prf. 2.1p
Brown & Tawse 7% (4.9% net) Prf. 2.45p
Burmah Castrol 6% (4.2% net) 1st Prf. 2.1p
Do. 6% (4.2% net) 2nd Prf. 2.1p
Do. 7¼% (5.075% net) Red. Prf. 2.5375p
Do 8% (5.6% net) Prf. 2.8p
Calderburn 4.9p
Campbell Soup $0.185
Cantors 7½% (5¼% net) Prf. 2.625p
Cap. & Counties 5¾% Prf. 2.875p
Chemical Banking Corp. Fltg. Rate Senr. Nts. 1999 $43.75
Chemring Cnv. Red. Pfd. 3p
Do. 4.9% Prf. 2.45p
Citicorp Banking Corp. Gtd Fltg. Rate Sub. Cap. Nts. 1998 $131.25
Do. Gtd. Fltg. Rate Sub. Cap. Nts. 1997 $131.25
Collateralised Mortgage Securities (No. 4) Mtg. Bkd. Fltg. Rate Nts. 2027 £251.3
Do (No. 6) Mtg. Bkd. Fltg. Rate Nts. 2027 £295.12
Do. (No. 12) A Mtg. Bkd. Fltg. Rate Nts. 2028 £263.56
Cookson 7% (4.9% net) Pfd. 1.225p
Crowther (John Edward) Hldgs. 5½% (3.85% net) Prf. 1.925p
Daiwa Intl. Finance (Cayman) Sub. Fltg. Rate Nts 2001 $1108.25
Dartmoor Inv. Tst. 6¼% RPI Linked Deb. 2005 £3.619
Dow Chemical $0.65
Dundee & London Inv. Tst. 5% (3½% net) Prf. £1.75
EFT 0.77p
Ellis & Everard 7¾% Deb. 1987/92 £3.625
English Prop. Corp. 9¾% 1st Mtg. Deb. 1997/2002 £4.9375
ERF Hldgs. 10% Prf. 5p
Estates & General 6% Cnv. Red. Prf. 3p
Estates Property Inv. 10% 1st Mtg. Deb. 2011 £5
Do. 7¾% Uns. Ln. 1989/92 £3.875
Evans of Leeds 11% 1st Mtg. Deb. 2025 £5.5
First Natl. Fin. 10% Sub. Uns. Ln. 1992 £5
Foreign & Colonial Inv. Tst. 7% Uns. Ln. 1988/93 £3.4
Forte 10½% Mtg. Deb. 1991/96 £5.25
Do. 9.1% Uns. Ln. 1995/2000 £4.55
Gartmore Value Invs. 12.34% Deb. 1995 6.17p
General Motors Acceptance Corp. of Canada Fltg. Rate Nts. 1995 C$608.59
Great Northern Iron Ore Properties $1.55
Great Western Financial Corp. Var. Rate Nts. 1993 $123.23
Guildhall Prop. 6% (4.2% net) Prf. 2.1p
Halifax Bldg. Soc. Fltg. Rate Ln. Nts. 1996 Sers. A £43.62
Heavitree Brew. 11½% Prf. 5.75p
Honda Motor 5.9% Bds. 1997 Y150778
Do. 6% Bds. 1998 Y153333
Intereuropa Tech. Srv. 2p
Jackson (Wm.) 7½% (5¼% net) Prf. 2.625p
Johnson Matthey 8½% Mtg. Deb. 1985/95 £4.25
Kingfisher 8½% Cnv. Uns. Ln. 2000 £4.25
Land Securities 6% 1st Mtg. Deb. 1988/93 £3
Do. 7¼% 1st Mtg. Deb. 1991/96 £3.625
Latham (James) 8% Prf. 4p
Lionheart Cnv. Red. Prf. 24.5p
Do. 7% Cnv. Red. Prf. 24.5p
Local Authority Short-Dated Bds. 10⅜% Bds. 4/11/92 £5.1875
Logica 1.15p
London American Ventures Tst. 3½% Deb. Red. £1.75
Do. 4% Deb. Red. £2
London Merchant Securities 7¾% Uns. Ln. 2000/05 £3.875
Lookers 4.2p
Lowe (Robert H.) 6½% (4.55% net) 1st Prf. 2.275p
Do. 87.5% Cnv. Red. Prf. 4.375p
Lowe's Co's Inc. $0.14
Malaysia 6% Sov. Exch. Bds. 2001 $300
Maunders (John) 2.3p
Mayne Nickless Europe A$0.175
McAlpine (Alfred) 5.8p
Do. 9% Prf. 4.5p
Murray Split Capital Tst. 3.3p
Natl. Westminster Bank Var. Rate Cap. Nts. 2000 $1181.25
Newarthill 6.775% Prf. 3.3875p
News Corp. A$0.05
News Intl. 2.092p
NHL (1) Securities Dtd. Intl. Mtg. Bkd. Fltg. Rate Nts. 2028 £651.53
Northern Rock Bldg. Soc. Fltg. Rate Nts. 1992 £132.4
Province of Nova Scotia 16¾% Ln. 2011 £8.375
Owners Abroad 2.2925p
Peel Hldgs. 10% Prf. 2.5p
Do. 9⅞% 1st Mtg. Deb. 2011 £4.9375
PHH Corp. $0.3
Portsmouth & Sunderland News. 6% Prf. 3p
Do. 11½% 2nd Prf. 5.75p
Ransomes Cnv. Prf. 4.125p
River & Mercantile Tst. Stppd. Prf. 2.55p
Royal Bank of Canada Fltg. Rate Debs. 2005 $36.46
SCECorp $0.68
Scot. Inv. Tst. 4% Perp. Deb. £2
Do. 4¼% Perp. Deb. £2.125
Do. 5% Perp. Deb. £2.5
Scot. & Newcastle 4.6% Prf. 2.3p
Do. 6.425% Prf. 3.2125p
Seagram Distillers 12⅜% Deb. 2012 £6.1875
Secured Ln. Finance No. 1 A Mtg. Bkd. Fltg. Rate Nts. 2018 £281.05
Do. Mezzanine Mtg. Bkd. Fltg. Rate Nts. 2018 £300.72
Shaw Carpets 8½% Deb. 1988/93 £4.25
Shires Inv. 4.2p
Templeton Emerging Mkts. Inv. Tst. 1% Cnv. Uns. Ln. 2001 0.5p
Texaco Intl. Financial Corp. 8% Cnv. Gtd. Ln. 1981/99 £4
Thorntons 1.25p
TMC P.I.M.B.S. First Financing No. 2 2029 £268
Do. Fourth Financing No. 5 2029 £243.37
Do. Third Financing No. 4B 2029 £289.72
Torday & Carlisle 3p
Transamerica Corp. $0.5
TR City of London Tst. 10¼% Deb. 2020 £5.125
TR High Income Tst. 0.8p
TT 10⅞% Cnv. Red. Prf. 1997 5.4375p
USDC Inv. Tst. 3.25p
USF & G Corp $0.05
Reg Vardy 1.3p
Vaux 7% (4.9% net) Prf. 2.45p
Do. 4½% (3.15% net) A Prf. 1.575p
Do. 6½% (4.55% net) A Prf. 2.275p
Wells Fargo Fltg. Rate Sub. Nts. 1992 $141.67
Wood (Arthur) 4.1p
Wyevale Garden Centres 1.24p

FRIDAY MAY 1
APV 3.15% Prf. 1.575p
Do. 4.55% Prf. 2.275p
Do. 5¼% Prf. 2.625p
American Tel. & Telegraph $0.33
Ameritech Corp. $0.88
Bell Atlantic Corp. $0.65
BellSouth Corp. $0.69
BET 4½% 2nd Deb. £2.25
Blagden Inds. 5p
Bristol Corp. 3½% Deb. £1.75
British Inv. Tst. 5¼% (3.675% net) Prf. £1.8375
British Mohair Hldgs. 6% (4.2% net) Red Prf. 2.1p
British Shoe Corp. 6½% (4.55% net) 3rd Prf. 2.275p
BTP Cnv. Red. Prf. 3.75p
CALA 1.15p
Canning (W.) 7½% Uns. Ln. 1988/93 £3.75
Dunedin Worldwide Inv. 1.75p
Edinburgh Inv. Tst. 7½% Deb. 1995 £3.75
English & Dutch Inv. Tst. Ptg. Certs. FL5.25
Do. 8% 1st Prf. FL0.8
Do. 8% 2nd Prf. FL0.8
European Assets Tst. FL0.11
Exch. 3% Gas 1990/95 £1.5
Do. Gtd. 4½% Bds. Red £2.25
Expamet Intl. 6.2p
Fleming Mercantile Inv. 1.6p
Frogmore Estates 3.4p
Fyffes Cnv. Prf. IR4.125p
Genfinance NV 11.31% Ln 2007 £5.655
Government of Gibraltar 11⅞% Ln. 2005 £5.9375
Glaxo 7¾% Uns. Ln. 1985/95 1.9375p
Glaxo Hldgs. 6p
Halifax Bldg. Soc. Fltg. Rate Nts. 1997 £513.02
Hardys & Hansons 5% (3½% net) 1st Prf. 1.75p
Do. 4% Irrd. 1st Mtg. Deb £2
Howden 0.7p
Intl. S.E. of the UK and the Republic of Ireland 10⅛% Mtg. Deb. 2016 £5.0625
Johnson Cleaners 18.7p
Kalon 1.5p
King & Shaxson 5% (3½% net) Prf. 1.75p
Lamont 6% (4.2% net) Prf. 1.05p
Do. 5.6% 2nd Prf. 2.8p
Do. 10% 3rd Prf. 5p
Lewis (J) Props. 8¼% Mtg. Deb. 1993/98 £4.125
Lincoln Natl. Corp. $0.73
Lloyds Chemists Red. Cnv. Ptg. Prf. 2005 3.75p
Marks & Spencer 10% (7% net) Prf. 3.5p
Marshalls 10% Prf. 5p
Merchants Tst. 4% Perp. Deb. £2
Mid Southern Water 10% Red. Deb. 1995/98 £5
City of Montreal 3% Perm. Deb. £1.5
Natl. Westminster Bank 9.45% Sub. Nts 2001 $4.725
Nicor Inc. $0.69
Norwich Corp. 3% Red. £1.5
Nottingham Corp. 3% Irrd. £1.5
NYNEX Corp. $1.16
Pacific Telesis $0.545
Parkland Text. 3.15% Prf. 1.575p
Pentos 3½% (3.15% net) Prf. 1.575p
Photo-Me Intl. 1.3p
Reading Corp. 3½% (1978 or after) £1.75
Ricardo Intl. 1.9p
Sanderson Murray & E. 7p
Scot. Inv. Tst. 3½% Pfd. £1.75
Do. 3.85% Pfd. £1.925
Do. 4.55% A Prf. £2.275
Scot. & Newcastle 7.6% 1st Mtg. Deb. 1989/94 £3.8
Sheafbank Property Tst. 5¼% Prf. 2.625p
Do. 6% Cnv. Prf. 3p.
Southwestern Bell Corp. $0.73
Torchmark Corp. $0.4
US West Inc. $0.53
Verity Hldgs. 7½% Deb. 1987/92 £3.75
Watmoughs 8p
Whitbread 7% (4.9% net) 3rd Prf. 2.45p

UK COMPANIES

TODAY
COMPANY MEETINGS
CIA, 1 Paris Garden, S.E., 12.00
ECC, The Brewery, Chiswell Street, E.C., 10.30
Kynoch (G. & G.), Beaufort House, 15 St. Botolph Street, E.C., 3.00
Mayflower Corp., 30 Queens Annes Gate, S.W., 11.30
Medeva, Institute of Directors, 116 Pall Mall, S.W., 10.00
Microvitec, Stakis Norfolk Gardens Hotel, Hallings, Bradford, 12.00
Mercury Intl. Trust, 7 West Nile Street, Glasgow, 10.30
Scottish Eastern Inv. Trust, Saltire Court, 20 Castle Terrace, Edinburgh, 12.00
Tudor, Pedmore House, Ham Lane, Pedmore, Stourbridge, West Midlands, 12.00
Cresent, Edinburgh, 11.30
Expamet Intl., The Royal Automobile Club, 89 Pall Mall, S.W., 12.00
Hillsdown Hldgs., Holiday Inn, 128 King Henry's Road, Swiss Cottage, N.W., 2.00
Lambert Howarth, Dunkenhalgh Hotel, Clayton-le-Moors, 12.00
Law Debenture Corp., Princes House, 95 Gresham Street, E.C., 9.30
Moro O'Ferrall, The Cafe Royal, Regent Street, W., 10.00
Natl. Westminster Bank, Natl Westminster Hall, 15 Bishopsgate, E.C., 11.00
Williams Hldgs., The Intl Convention Centre, Broad Street, Birmingham, 12.00
BOARD MEETINGS
Finals
Dares Estates
How
Molynx
Serif Cowells
Smith (James) Estates
Walker (J. O.)
Wensum
Interims.
Blenheim
Lyles (S.)
Finals.
Brown & Jackson
Edinburgh Inv. Trust
Exploura Hldgs.
Ingham
S & U Stores
Sennah Rubber
Television South West
Waterford Foods
Yule Catto
Interims:
Govett Strategic Inv. Tst.
Moran Hldgs.

TOMORROW
COMPANY MEETINGS:
Calderburn, The Dunkenhalgh Hotel, Clayton-le-Moors, Accrington, Lancashire, 12.30
Capital & Counties, 40 Broadway, S.W., 11.45
Edinburgh Oil & Gas, 10 Coates Cresent, Edinburgh, 11.30

WEDNESDAY APRIL 29
COMPANY MEETINGS
Ansbacher (Henry) Hldgs., Prior House, 1 Mitre Square, E.C., 11.45
BBA, The Savoy Hotel, Strand, W.C., 11.30
Calor, The Baltic Exchange, 14-20 St. Mary Axe, E.C., 11.30
Carlisle, Howard Hotel, Temple Place, W.C., 11.00
Courtaulds Textiles, London Marriott Hotel, Duke Street, W., 10.45
Doeflex, 56 Holmethorpe Avenue, Redhill, 12.00
Era, Strand Palace Hotel, Strand, W.C., 11.00
General Accident, Pitheavlis, Perth. 10.00
Headline Book Publishing, Royal Society of Arts, 8 John Adam Street, W.C., 11.00
Kleinwort Benson, 20 Fenchurch Street, E.C., 12.00
Manders, Goldthorn Hotel, Penn Road, Wolverhampton, 12.00
Mollins, Barber Surgeons Hall, Monkwell Square, Wood Street, E.C., 12.15
TLS Range, Lancashire County Cricket Club, Talbot Road, Stratford, 12.00
Thornton Pan-European Inv. Trust, 33 Cavendish Square, W., 5.00
Wassall, The Farmers' and Fletchers' Hall, 3 Cloth Street, E.C., 11.30
BOARD MEETINGS:
Finals:
Bank of Scotland
British Fittings
Brixton Estate
Brown (N.)
Eadie
Hopkinsons
Travis Perkins
Interims:
Drayton Asia Trust
Majedie Inv.
Rosehaugh

THURSDAY APRIL 30
COMPANY MEETINGS:
Barclays, 30 Threadneedle Street, E.C., 2.30
Billam (J.), Sheffield Moat House Hotel, Chesterfield Road South, Sheffield, 11.00
Blagden Inds., Saddlers Hall, Gutter Lane, Cheapside, E.C., 12.00
British Aerospace, London Marriott Hotel, Duke Street, 3.00
Ferrum Hldgs., 57 Melville Street, Edinburgh, 12.15
Fife Indmar, 115 Hanover Street, Edinburgh, 12.00
Gaskell, Pines Hotel, Clayton-le-Woods, Chorley 10.30
Kode Intl., 25 Copthall Avenue, E.C., 12.00
Mayborn, Dylon House, Worsley Bridge Road, Lower Sydenham, S.E., 10.30
Peek, 89 Pall Mall, S.W., 11.30
Reuters, The Sedgwick Centre, E., 11.30
Servomex, Buxted Park Hotel, Buxted, Uckfield, East Sussex 12.30
TR High Income Trust, Mermaid House, 2 Puddle Dock, E.C., 12.30
Try, Cowley Business Park, High Street, Cowley, Uxbridge, Middlesex, 12.00
Watmoughs Hldgs., Forte Crest Hotel, Bramhope, Leeds, West Yorkshire, 11.30
Wimpey (George), Savoy Hotel, W.C., 12.00
Wood (Arthur), Bradwell Works, Longport, Stoke-on-Trent, 12.00
BOARD MEETINGS:
Finals:
CI
Le Creuset SA
McLaughlin & Harvey
Scottish Mortgage & Tst.
Interims
Chemex Intl.
Kwik Save
McCarthy & Stone

FRIDAY MAY 1
COMPANY MEETINGS:
American Trust, 4 Melville Crescent, Edinburgh, 12.15
BLP, 21 Wilson Street, E.C., 10.00
Clarke (T.), Savoy Hotel, W.C., 12.00
Greggs, Gosforth Park Hotel, High Gosforth Park, Newcastle upon Tyne, 11.45
ICI, Royal Lancaster Hotel, Lancaster Terrace, W., 11.00
MTL, Power Court, Luton, Bedfordshire, 4.00
Sheffield Insulations, Grosvenor House, Charter Square, Sheffield, 11.00
Strong & Fisher Hldgs., 41 Tower Hill, E.C., 12.00
BOARD MEETINGS:
Finals:
Conroy Petm. & Nat. Res.
I & S UK Smaller Co's
Upton & Southern

Company meetings are annual general meetings unless otherwise stated.

CONTRACTS & TENDERS

INTERNATIONAL MONETARY FUND
WASHINGTON, D.C., U.S.A.
INTERNATIONAL PROCUREMENT NOTICE
FOR SELECTION OF
CONSTRUCTION MANAGER/GENERAL CONTRACTOR
FOR THE CONSTRUCTION OF PHASE III - HEADQUARTERS BUILDING

The International Monetary Fund (Fund) intends to select from proposals received, a Construction Manager/General Contractor to provide services to the Fund during the preconstruction/design and construction stages of the Fund's Phase III, Headquarters Building Project in Washington, D.C., U.S.A. Phase III, general office building addition will provide approximately 410,000 gross square feet of new office area to the existing headquarters located at 19th and H Streets in Northwest, Washington, D.C. Estimated cost of the Project is US$100,000,000.

The Fund has prepared a Request for Proposal (RFP) document for the selection of a Construction Manager/General Contractor (CM/GC). The selected CM/GC shall provide the following services which will consist of two phases, Phase I, Preconstruction, and Phase II, Construction.

A. Phase I: Preconstruction Phase:
Provide Construction Management Services to the Fund during the preconstruction / design stage of the project which shall include but not be limited to evaluations, consultations, schedules, construction cost estimates, design reviews, procurement recommendations, etc.

B. Phase II: Construction Phase:
Based on the architect's drawings and specification, the CM/GC will solicit bids for all portions of the work and shall make subcontract awards after approval by the Fund and architect. The Fund does not guarantee that the CM/GC's services will be accepted for this stage of the Project.

The anticipated contract is expected to be awarded in July 1992, with the construction stage of the project to begin in March 1994. Construction completion is anticipated in September 1996.

Prospective bidders must have substantial past experience in Construction Management and General Contracting experience in commercial structures of a similar size and nature.

It is expected that the Request for Proposal (RFP) document will be available on or about May 1, 1992, at the address as shown below:

International Monetary Fund
700 - 19th Street, N.W.,
Washington, D.C. 20431

Attn: Mr Robert O'Neil, Chief, Procurement Section
Tel: (202) 623-7103
FAX: (202) 623-4914

The RFP document will be available from the Fund upon payment of a non-refundable fee (certified check) of US$750.00.

The Proposals are currently scheduled to be submitted in Washington, D.C. at the International Monetary Fund during June 1992. The specific proposal due date will be specified in the RFP document. The Proposals will be opened in closed session. The Fund reserves the right to reject any or all proposals at its discretion. Proposal Security in the form of a Letter of Credit or Bid Bond will be required for all Proposals received.

LEGAL NOTICE

NOTICE OF APPOINTMENT OF JOINT ADMINISTRATIVE RECEIVERS
HITCHCOCK & CO. (TIMBER MERCHANTS) LIMITED
Registration number: 01175689.
Trade Classification: 20.
Names and Addresses of Joint Administrative Receivers:
Vivian Murray Bairstow, Robson Rhodes, 186 City Road, London EC1V 2NU
N. H. Cooper, Robson Rhodes, 186 City Road, London EC1V 2NU
Date of Appointment: 15th April 1992.
By whom Appointed: National Westminster Bank PLC
Date of Charge: 24th July 1989
Nature of Charge: Fixed and floating
V. M. Bairstow and N. H. Cooper,
Joint Administrative Receivers

AMENDED NOTICE
The advertisement which appeared on the 10th April, 1992 under the company name of Treamal was incorrectly quoted. The correct name for the company should have read TREBMAL.

LEGAL NOTICES

Company No: 2079677
Registered in England & Wales
INSOLVENCY ACT 1986
Resolutions of FINITE GROUP PLC
PASSED
At an extraordinary general meeting of the above named company duly convened and held at Cork Gully, Central Business Exchange, Midsummer Boulevard, Central Milton Keynes, MK9 2DF, the following resolutions were passed: No 1 as an extraordinary resolution and No 2 as an ordinary resolution:
1 That it has been proved to the satisfaction of this meeting that the company cannot, by reason of its liabilities, continue its business and that it is advisable to wind up the same and THAT accordingly the company be wound up voluntarily.
2 THAT N R B Godden and R M Addey of Cork Gully, Central Business Exchange, Midsummer Boulevard, Central Milton Keynes, MK9 2DF be and is hereby appointed liquidator of the company.
Dated 9th April 1992
Graeme Ward - CHAIRMAN
At a meeting of creditors held on 9 April 1992 the creditors confirmed the appointment of N R B Godden and R M Addey as liquidator.

Company No: 273605
Registered in England Wales
INSOLVENCY ACT 1986
Resolutions of
DOLPHIN & CO LIMITED
PASSED 8 April 1992
At an extraordinary general meeting of the above named company duly convened and held at Grand Hotel, Colmore Row, Birmingham, on 8 April 1992 the following resolutions were passed: No 1 as an extraordinary resolution and No 2 as an ordinary resolution:
1. That it has been proved to the satisfaction of this meeting that the company cannot, by reason of its liabilities, continue its business and that it is advisable to wind up the same and THAT accordingly the company be wound up voluntarily.
2. THAT David John Conway, of Cork Gully, 43 Temple Row, Birmingham B2 5JT be and is hereby appointed liquidator of the company.
Dated - 8 April 1992
Sid Law - Chairman
At a meeting of creditors held on 8 April 1992 the creditors confirmed the appointment of D J Conway as liquidator.

Company No: 2365607
Registered in England and Wales
INSOLVENCY ACT 1986
Resolutions of
THE NEW TABASCO LIMITED
PASSED 14 April 1992
At an extraordinary general meeting of the above named company duly convened and held at 43 Temple Row, Birmingham B2 5JT on 14 April 1992 the following resolutions were passed: No 1 as an extraordinary resolution and No2 as an ordinary resolution:
1. That it has been proved to the satisfaction of this meeting that the company cannot, by reason of its liabilities, continue its business and that it is advisable to wind up the same and THAT accordingly the company be wound up voluntarily.
2. THAT David John Conway, of Cork Gully, 43 Temple Row, Birmingham B2 5JT be and is hereby appointed liquidator of the company.
Dated - 14 April 1992
V G Blackstock - Chairman
At a meeting of creditors held on 14 April 1992 the creditors confirmed the appointment of D J Conway as liquidator.

Company No: 2058486
Registered in England & Wales
LONGSTAFF AND SHAW HOLDINGS LIMITED (IN RECEIVERSHIP)
NOTICE IS HEREBY GIVEN, pursuant to section 98 of the Insolvency Act 1986, that a MEETING of the CREDITORS of the above named company will be held at Shelley House, 3 Noble Street, London EC2V 7DQ on 30th April 1992 at 12:30pm for the purposes mentioned in sections 99 to 101 of the said Act.
A list of the names and addresses of the company's creditors may be inspected free of charge at: Shelley House, 3 Noble Street, London EC2V 7DQ on: 29th April 1992 and 30th April 1992 between 10am and 5pm.
DATED 14th April 1992
By order of the Board
G A Mower, Director

Company No: 1046810
Registered in England and Wales
L & S FIRE PROTECTION SYSTEMS LIMITED (IN RECEIVERSHIP)
NOTICE IS HEREBY GIVEN, pursuant to section 98 of the Insolvency Act 1986, that a MEETING of the CREDITORS of the above named company will be held at: Shelley House, 3 Noble Street, London EC2V 7DQ on 30th April 1992 at 12 noon for the purposes mentioned in sections 99 to 101 of the said Act.
A list of the names and addresses of the company's creditors may be inspected free of charge at: Shelley House, 3 Noble Street, London EC2V 7DQ on: 29th April 1992 and 30th April 1992 between 10am and 5pm.
DATED 14th April 1992
By order of the Board
G A Mower, Director

NOTICE OF APPOINTMENT OF JOINT ADMINISTRATIVE RECEIVERS
GLENLAN VENTILATING COMPANY LIMITED
Registered number: 1005085. Nature of business: Fabrication of Heating & Ventilating Items. Trade classification: 27. Date of appointment of joint administrative receivers: 15 April 1992. Name of person appointing the joint administrative receivers: National Westminster Bank Plc
DAVID R WILTON and IAN NAPIER CARRUTHERS Joint Administrative Receivers (Office holder nos 292 and 814) Cork Gully 43 Temple Row Birmingham B2 5JT

Notice of appointment of joint administrative receivers
P & A (ENGINEERING SERVICES) LIMITED
Registered number: 2022964. Nature of business: Heating, Ventilating and Air Conditioning Contractors. Trade classification: Heating Contractors. Date of appointment of joint administrative receivers: 15 April 1992. Name of person appointing the joint administrative receivers: Barclays Bank Plc
JOSEPH PATRICK CONSIDINE and RICHARD ANTHONY SMART, Joint Administrative Receivers, Office holder nos 1788 and 2530), Cork Gully, Churchill House, Churchill Way, Cardiff. CF1 4XQ

Company No: 1969010
Registered in England and Wales
LONGSTAFF AND SHAW ENGINEERING LIMITED (IN RECEIVERSHIP)
NOTICE IS HEREBY GIVEN, pursuant to section 98 of the Insolvency Act 1986, that a MEETING of the CREDITORS of the above named company will be held at Shelley House, 3 Noble Street, London EC2V 7DQ on 30th April 1992 at 10.30 am for the purposes mentioned in sections 99 to 101 of the said Act.
A list of the names and addresses of the company's creditors may be inspected free of charge at: Shelley House, 3 Noble Street, London EC2V 7DQ on: 29th April 1992 and 30th April 1992 between 10am and 5pm.
DATED 14th April 1992
By order of the Board
G A Mower, Director

Company No: 1048811
Registered in England & Wales
LONGSTAFF AND SHAW SERVICES LIMITED (IN RECEIVERSHIP)
NOTICE IS HEREBY GIVEN, pursuant to section 98 of the Insolvency Act 1986, that a MEETING of the CREDITORS of the above named company will be held at: Shelley House, 3 Noble Street, London EC2V 7DQ on 30th April 1992 at 2:00 pm for the purposes mentioned in sections 99 to 101 of the said Act.
A list of the names and addresses of the company's creditors may be inspected free of charge at: Shelley House, 3 Noble Street, London EC2V 7DQ on: 29th April 1992 and 30th April 1992 between 10am and 5pm.
DATED 14th April 1992
By order of the Board
G A Mower: Director

Company No: 535938
Registered in England & Wales
LONGSTAFF AND SHAW LIMITED (IN RECEIVERSHIP).
NOTICE IS HEREBY GIVEN, pursuant to section 98 of the Insolvency Act 1986, that a MEETING of the CREDITORS of the above named company will be held at: Shelley House, 3 Noble Street, London EC2V 7DQ on 30th April 1992 at 10.30am for the purposes mentioned in sections 99 to 101 of the said Act.
A list of the names and addresses of the company's creditors may be inspected free of charge at: Shelley House, 3 Noble Street, London EC2V 7DQ on: 29th April 1992 and 30th April 1992 between 10am and 5pm.
DATED 14th April 1992
By order of the Board
G A Mower: Director

ART GALLERIES

ANTHONY GROSS R.A.
Prints April 26 - May 17. Wed - Sun 11-6. Blond Fine Art, Unit 10, Canalside Studios, 2 Orsman Rd, N1, 071-739 4383.

COMPANY NOTICES

ROBECO GROUP

ROBECO N.V.

Further to the announcement published in The Times and The Financial Times on 21 April 1992 concerning the Cash Dividend payable 1 May 1992, the rate of exchange for the payment of this dividend on both Robeco NV Ordinary Shares of Fls 10 (at Fls 3.52) and Sub-Shares registered in the name of National Provincial Bank (Nominees) Limited (at Fls 0.352) is Fls 3.2796 = £1.00

UNITED KINGDOM RESIDENTS

The gross dividend is £1.07330162 per Ordinary Share of Fls 10 (Coupon No. 90) and is subject to the following deductions:-

15% Netherlands Tax	-	£0.16099524 per Share
10% United Kingdom Tax	-	£0.10733016 per Share
Net Payment	-	£0.80497622 per Share

NON RESIDENTS OF THE UNITED KINGDOM

Where 25% Netherlands Tax is applicable, the following deductions apply:-

25% Netherlands Tax	-	£0.26832541 per Share
25% UK Tax on Net Dividend (when applicable)	-	£0.20124405 per Share
Net Payment	-	£0.60373216 per Share

Dividend entitlement on the Sub-Shares will be paid at one tenth of the above amounts, less M.N. Commission of £0.00134153 per Sub-Share.

Where 15% Netherlands Tax is applicable the calculations are as for United Kingdom Residents, but relief from United Kingdom Tax is immediately obtained provided that the appropriate Inland Revenue Affidavit is lodged with the claim.

ROLINCO N.V.

Further to the announcement published in The Times and The Financial Times on 21 April 1992 concerning the Cash Dividend payable 1 May 1992, the rate of exchange for the payment of this dividend on both Rolinco NV Ordinary Shares of Fls 10 (at Fls 2.16) and Sub-Shares registered in the name of National Provincial Bank (Nominees) Limited (at Fls 0.216) is Fls 3.2796 = £1.00

UNITED KINGDOM RESIDENTS

The gross dividend is £0.65861690 per Ordinary Share of Fls 10 (Coupon No. 33) and is subject to the following *deductions:-*

15% Netherlands Tax	-	£0.09879254 per Share
10% United Kingdom Tax	-	£0.06586169 per Share
Net Payment	-	£0.49396267 per Share

NON RESIDENTS OF THE UNITED KINGDOM

Where 25% Netherlands Tax is applicable, the following deductions apply:-

25% Netherlands Tax	-	£0.16465423 per Share
25% UK Tax on Net Dividend (when applicable)	-	£0.12349067 per Share
Net Payment	-	£0.37047200 per Share

Dividend entitlement on the Sub-Shares will be paid at one tenth of the above amounts, less M.N. Commission of £0.00082327 per Sub-Share.

Where 15% Netherlands Tax is applicable the calculations are as for United Kingdom Residents, but relief from United Kingdom Tax is immediately obtained provided that the appropriate Inland Revenue Affidavit is lodged with the claim.

CONSTRUCTION CONTRACTS

Facelift for east London tower blocks

The Southern Construction division of **M J GLEESON** group has been awarded two London contracts, together worth almost £10m. At Tower Hamlets, Gleeson is to undertake the £5.69m internal and external refurbishment of Wapping Neighbourhood of two 14-storey tower blocks built in the 1960s.

At Greenford, Gleeson will construct a *multi-storey car park* for Glaxo Holdings, which is designed and landscaped to be barely visible. It will take 370 cars and cost £3.1m.

Breakwaters

FAIRCLOUGH MARINE has been selected by the main contractor, Kier Construction, to provide two protective breakwaters at the entrance of Sovereign Harbour at Eastbourne, East Sussex, under a 42-week contract valued at £2.6m.

The company will supply and place 150,000 tonnes of *rock armour in the construction* of the 200-metre breakwaters.

Housing awards

Housing associations have awarded two contracts, together worth £1m, to **GALLIFORD NORTHWEST**, part of the Galliford construction group. Thirty-six family houses will be built on Merseyside for the Crosby Housing Association and 16 flats will be built at Farnworth for the Bolton Housing Association.

£45m gas pipeline plan in Java

L G MOUCHEL & PARTNERS has been appointed by Perusahaan *Umum Gas Negara, the* national gas corporation of Indonesia, to provide a full pre and post contract quantity surveying service necessary for construction of 250 kilometres of gas pipeline in Java.

The pipelines, which will radiate from Surabaya, will provide natural gas to industrial installations in the interior of the island. The project, which also includes the construction of numerous pressure *reducing stations and meter* registering stations, will be let in five contracts.

Mouchel, working in joint venture with a local consultant; P T Hasfarm Dian Konsultan, is required to prepare *full tender and contract* documentation and financial reports on all of the bids. They are also required to put in place, co-ordinate and supervise five site teams who will make interim valuations and *measurements, supervise the* settlement of rates and claims and prepare the final account.

The project, estimated at £45m, is being funded by the World Bank and is expected to begin in a year's time. All *contracts will run* concurrently and the construction periods are expected to last between nine and 18 months on each of the five sites.

Trafalgar House wins work in India

Specialist engineering companies within the construction division of **TRAFALGAR HOUSE** have won contracts worth over £10.5m for civil engineering.

Bombay-based Cemindia has secured *four separate projects* — the largest valued at £4m is the biggest ever secured in its 30 year history.

Cemindia has received a letter of intent from Tata Electric Companies of Bombay to build a 150 megawatt power plant at Bhira. This 33-month contract includes the *construction* of a 24 metre diameter powerhouse shaft 65 metres deep, a tail race channel and two 3 metre diameter tunnels as well as a switchyard.

At Kandla, about 1,200 kilometres *northwest of Bombay*, Cemindia will be working for the Indian Oil Corporation to develop, design and instal 9,600 stone columns for three 55 metre diameter and 50 metre diameter oil storage tanks.

This contract is due for completion in August and is the second major order from this client.

A third contract, worth £3.3m, has been secured at Tuticorin, on behalf of the Tamilnadu Electricity Board of Madras. The project covers the *design, manufacture and supply* of civil works for a coal handling system at the Tuticorin site. The main contractor, Southern Structurals, placed the contract.

Cemindia's fourth job is to build a jetty for Tuticorin Port Trust, valued at £1.75m.

Equipping the Nantes transport system

GEC ALSTHOM has been chosen by Siman (Syndicat Intercommunual à Vocation Multiple de l'Agglomération Nantaise) to supply a further *12 three-car tramsets for the* Nantes urban transport network.

The tramsets, which are valued at approximately £18.5m, will be delivered between September, 1993 and March 1994. They will be using the same technology as those previously ordered and will be fully adapted for use by physically impaired passengers.

Line 2 (city centre-south) will start operation later this year. It will be serviced by tramsets already in use on Line 1 and by units currently being delivered by GEC Alsthom.

The 12 additional tramsets will be used for Line 3 which is scheduled to open in 1994 to extend Line 2 to the north of the city. They will also be able to run on the other lines of the *network*.

This contract will bring to 46 the total number of the company's three-car tramsets running on the Nantes network, which will be 24 kilometres long when Line 3 is opened.

New and refurbished homes for elderly

New and refurbished homes for the elderly in Hull and *Bradford are included in £3.7m* worth of work won by **LAING YORKSHIRE**, part of John Laing Construction.

North British Housing Association has selected the company to build 92 sheltered bungalows in Hull.

In Bradford, the City council has awarded a £425,685 contract to refurbish an old people's home in Clayton.

Laing Yorkshire is also constructing a new pool at Oakwood *swimming pool in Moorgate*, Rotherham, for Rotherham council, while the Property Services Agency has selected the company to refurbish the public areas of DSS offices in Rotherham and Sheffield.

Tarmac to fit out five Dillons bookstores

New £5.3m offices in Scotland for British Gas and a £5m package deal to fit out five of Dillons bookshops are among £18.5m worth of projects won by *TARMAC CONSTRUCTION*.

District offices for British Gas are to be built at Uddingston in Lanarkshire and they are expected to be completed by September 1993.

A package deal has been agreed with *Dillons bookshops* to fit out five book stores in the UK and Ireland. They include new stores at Glasgow and Kingston upon Thames, and the refurbishment of a store in Dublin.

A £5.4m contract *has been* signed with Elm Energy to *start* the construction of the £38m power station at Wolverhampton that will produce electricity by burning scrap tyres.

The three projects together with a £340,000 TSB Bank fit out at its new branch in Bury, and additional *public sector* work bring the total value of the latest contracts to £18.5m.

The contract housing division is to carry out £1.2m worth of improvements and repairs to property for Blair*tummock Housing Association* in Strathclyde; and refurbish tenements for Cathcart and District Housing Association in Strathclyde at a cost of £480,000.

Other projects include the *modernisation of houses for* Exeter City Council costing £390,000 and building 12 houses at Leeds for Ridings Housing Association for £370,000.

Racal wins orders from Norway and Turkey

RACAL RECORDERS has won two orders worth almost £400,000 from the civil aviation authorities in Norway and Turkey for its multi-channel ICR systems to record voice communications between air traffic *controllers and aircrew*.

Under one of the contracts, worth more than £250,000, Racal has supplied dual-deck ICR recording systems to improve ground-to-air communications at airports across Norway – from *Hammerfest in* the north to Kristiansand in *the south*.

Racal will supply a comprehensive spares package as well as providing training for operators in the UK at the company's headquarters in Hythe, Hampshire.

The second order, worth in excess of £120,000, was awarded by *Devlet Hava Meydanlari* Isletmesi (DHMI), which is responsible for all Turkey's national and international civilian airports.

Multi-channel ICR64 Series recorders will be used at four locations, including Ankara International Airport, for recording voice communications as Turkey upgrades its *air traffic control (ATC)* system.

The ICR communications recorder has a radar recording capability. This system can offer civil aviation departments a permanent record of the flight history of each aircraft. Using plot extracted radar data, it gives the *last* known position of an aircraft *for search and rescue* operations and assists in post-incident inquiries by providing full details of targets under investigation.

Designed around a central microprocessor, the recorder provides a simple-to-use, individual deck control/display panel plus *time and activity* search facilities. It is capable of recording 64 voice channels per deck simultaneously and plot extracted data at up to 19,200 bit/s.

BUSINESSES TRAVEL & CONFERENCES

CONFERENCES & EXHIBITIONS

APRIL 29
Practical Implications of the *Single Currency*
Cityforum, Wall Street Journal Europe EMU Round Table at Insurance Hall in the City. Speakers include Iain Saville, Thierry Vissol, Robert Tyley and Christopher Johnson. Co-sponsored by AMUE, Eurocard/Eurocheque, Paribas and Clifford Chance.
Enquiries to: Lindsey Neil.
Tel: 0225-466744. Fax: 0225-442903
LONDON

MAY 10 - 14
Bringing New Products to Market
A course to benefit executives involved in the management and decision making for developing and launching new products. Market appraisal, entry strategy, technological evaluation, financial management and case studies. Contact: Pamela Manser, Imperial College Tel: 071 255 8667
Fax 071 255 8668
LONDON

MAY 11
Payments Systems For Europe
Cityforum, Wall Street Journal Europe, EMU Round Table at Skinners' Hall in the City. Including Sir John Quinton, Geoffrey Fitchew, Richard Allen, N Lyle and Dr Ben van Eldik. Co-sponsored by AMUE, Eurocard/Eurocheque.
Enquiries to: Lindsey Neil
Tel: 0225-466744
Fax: 0225-442903
LONDON

MAY 11
The Politics And Economics Of Monetary Union
Cityforum, Wall Street Journal Europe, EMU Round Table. Including Stanislas Yassukovich, Tim Congdon, George Hatjoullis, Charles Goodhart, Ian Plenderleith, Gerd Hausler and Philippe Moutot. Co-sponsored by *Eurocard/Eurocheque and Morgan Stanley*.
Enquiries to: Lindsey Neil
Tel: 0225-466744 Fax: 0225 442903
LONDON

MAY 11-12
Company Sales, Divestitures and Auctions
Increasing pressure for improved performance, means the sale of *businesses*, divisions or assets has become a regular feature of corporate life. This course covers the strategic, preparatory, regulatory, and negotiating aspects essential for successfully completing the deal. Contact:
ACQUISITIONS MONTHLY
Tel: 071 823 8740
LONDON

MAY 12-13
International Securities Markets: Limiting Market Risk
Focusing on the multi-lateral attempts to limit market risk, market regulation, how markets are developing and the management issues of assessing and controlling risk.
Enquiries: Financial Times Tel 071-925 2323 Fax: 071-925 2125
LONDON

MAY 14
TURKEY: AN INTERNATIONAL PERSEPCTIVE
A conference at the London Chamber of Commerce looking at Turkey in the medium and long term. With presentations from the European Commission, OECD, the World Bank, Mitsubishi and the Koc Group. Enquiries: Nyazi Maung, LCCI. Tel: 071 248 4444 Fax: 071 489 0391
LONDON

MAY 14
Energy in the Single Market
Presentations and ebate examining impact of the single market, European Energy Charter and EEC Environmental Directives on future energy supply. Speakers: DG's for Competition and Energy; supply industry spokesmen, large energy users and academics: Presentation by Russian Minister of Energy. Enquiries: Institute of Energy. Tel: 071-580 0008 Fax: 071-580 4420
LONDON

MAY 14-15
1st International Branch Banking Conference
"Merchandising the Branch"
The enormous cost of maintaining branch networks is under the microscope: Branch Profitability; Branch Merchandising; Branch Marketing: Long-term future of Branch Networks. Contact: Yvonne French, Lafferty Conferences
Tel: +353 1 718022 Fax: +353 1 713594
LONDON

MAY 19
Property Performance Measurement & Market Trends
For Fund Managers and Property Investors. The Conference will describe recent trends in the commercial property market and the performance *measurement services of* Investment Property Databank. Location: Institute of Directors, Pall Mall, London. Contact: Maureen Singer at I.P.D. on 071-482 5149
LONDON

MAY 19
Petroleum Retailing in Europe - A Single Market?
The conference will review developments in the retail market in the UK and across Europe in the months leading up to the Single Market of 1992. Contact: Caroline Little, The Institute of Petroleum. Tel: 071 636 1004 Fax: 071 255 1472.
LONDON

MAY 19-20
International Securitisation Risks & Rewards
LEARN: Market developments & interdependence of investors & issuers. Legal implications. *Credit & prepayment risks*. Investment and performance measurement. NEW accounting proposals PLUS tax issues. Securitisation in France, UK & Japan.
Contact: Christine Moore on 071-637 4383
LONDON

MAY 20
1992 EUROPEAN COMMUNITY BUDGET
Learn from international speakers about eftpos initiatives worldwide - Major trends ... Winners in the battle between banks and retailers for eftpos territory... the future of eftpos. Contact: Yvonne French, Lafferty Conference. Tel: +353 1 718022,
Fax: +353 1 713594
LONDON

MAY 22
INFORMATION FOR BUSINESS: JAPAN
A seminar providing insight into the economic and political background in Japan *including sources of information* for researching Japanese companies and markets. Yeave Barbican Centre, London. Contact Jenny Perry, TFPL on 071-251-5522, fax 071-490-4984
LONDON

MAY 22
Automotive Management Congress '92 - *Balance of Power*
Ford Chairman Ian McAllister headlines one-day confeence on future motor industry. Other speakers: Hans Halbach, Saab AB; *Gerald Davison, Chairman, Keep* Trust.; Roger Stangroom, ex-Rover marketing director. Venue: National Motorcycle Museum, £195 + VAT. Contact Janet Itani, Tel: 081-687 2340 or Fax: 081-646 7926
LONDON

MAY 22
The Changing Face of *Tanzania: Business Prospects*
The conference will be addressed by The Prime Minister HE John Malecela together with four of his ministers, Governor of the Bank of Tanzania, Director-General of the Investment Promotion Centre and eminent UK speakers. Enquiries: Fiona Walker, CBI, Centre Point: 071 379 7400
LONDON

MAY 27-28
Time Series Analysis and Forecasting
A course to be held at the London School of Economics; introducing the basic ideas of time series model building using a personal computer. Contact: Short Courses Office: Tel: 071-955 7227 Fax: 071-955 7676
LONDON

MAY 28-29
ENTREPRENEURIAL LEADERSHIP
A practical two day workshop focusing on the principles and practices used by leading-edge, forward looking, innovative companies, and how we can apply them in our unique business situation to improve performance and generate new revenue streams. Tel: 081 366-0832
Fax: 081 366-0832
LONDON

MAY 29
Improving IT Effectiveness
This one day conference examines the key issues in raising the performance of the IT *function, exploring the strengths and weak*nesses of conventional productivity and efficiency approaches, and presenting alternatives.
Contact: Business Intelligence
Tel: 081-544 1830
Fax: 081-544 9020
LONDON

JUNE 1-2
***5th International Delivery Systems* Conference**
"ATMs + EFTPOS = Networking the World"
Learn from international speakers about eftpos initiatives worldwide - Major trends ... Winners in the battle between banks and retailers for eftpos territory... the future of eftpos. Contact: Yvonne French, Lafferty Conferences. Tel: +353 1 718022.
Fax: +353 1 713594
LONDON

JUNE 3
Putting Business Performance Measurement into Practice
Developing performance measures which enable management to focus on what is real*ly happening in the business, how to provide* them and how to improve them. Speakers include Bass Taverns, National Power. Contact: Nolan, Norton & Co. Tel: 071-832 8600
LONDON

JUNE 4 & 5
HOW TO BUY AND SELL UNQUOTED COMPANIES
Are you tired of employing others to help you buy and sell? This unique "DIY" course addresses the practical realities of buying and selling a company and how to minimise *the risks involved. Contact: Acquisitions* Monthly Tel: 071 823 8740 Fax: 071 581 4331
LONDON

JUNE 8-12
IT and Business Change
Executive programme for IT and business managers to equip them to get maximum benefits from IT investments. Combines the business experience of Nolan, Norton & Co *with Warwick Business School's research* expertise. Contact Shirley Clarke, Warwick Business School 0203 523 523 ext 2871
LONDON

JUNE 10-26
Growth Opportunities in the European Pollution Control Market
A one-day seminar providing market data and forecasts for pollution control/waste management equipment and services in Europe. Venues: Vienna, Dusseldorf, Milan, Copenhagen, Amsterdam, Birmingham. Price £395.Contact: Caroline Perlston, Frost & Sullivan. Tel: 071-730 3438
Fax: 071-730 3343
LONDON

JUNE 11
A Fully Unified EC Oil and Gas Market ?
This major Conference will consider what legal/administrative measures still have to be concluded before all obstacles to a unified market will have been removed. Contact Caroline Little, The Institute of Petroleum. Tel: 071 636 1004 Fax: 071 255 1472
LONDON

JUNE 12
Liberalising the European Gas Markets
Transit, 3rd Party Access and Cross-Channel Link. This major Conference will address *the EC Draft 'Common Rules for the Internal* Market in Natural Gas', and its relevance to the British liberalisation experience.
Contact: Caroline Little, The Institute of Petroleum. Tel: 071 636 1004
Fax: 071 255 1472
LONDON

JUNE 15
Strategies for Sustaining Business Recovery
It's up to you to make recovery happen in *your business. Experts from London* Business School, Lloyds Bank, Hertz, Ernest Saunders, Bartle Bogle Hegarty, American *Airlines, Morgan Grenfell. Limited places*, Sponsored by MANAGEMENT TODAY Century Communications 071-244 8884
LONDON

JUNE 16
OFFSHORE SAFETY - THE *RESPONSE TO CULLEN*
The draft HSE Regulations will be examined at this major conference and steps taken to date in implementing recommendations of the Cullen Report. Contact: Caroline Little. The Institute of Petroleum. Tel: 071 636 1004. Fax: 071 255 1472
LONDON

JUNE 16-17
IMPACT OF EUROPE
Two conferences on the enormous impact of European Directives and Court decisions onkey aspects of UK employment and health and safety law and practice.
Contact Harriet Fielding, IRST
Tel: 071 354 5858 Fax 071 226 8618
LONDON

JUNE 17&18
Upper Limb Disorders among Keyboard Users
What is "RSI" ? Why are we apparently *experiencing an epidemic among keyboard* users ? Invited contributions from some of the UK's foremost authorities on the ergonomic, medical and legal aspects. Bell Howe Conferences Tel: 0602 436323
Fax: 0602 436440
LONDON

JUNE 18-19
A Changing South Africa: Internal Challenge and the External Dimension
convened by The Royal Institute of International Affairs and The South African Institute of International Affairs.To be held at Chatham House, London.
Enquiries RIIA conferences.
Tel: 071 957 5700 Fax: 071 957 5710
LONDON

JUNE 19
Contingency Planning
A Matter of Company Survival
Seminar focusing on PRACTICAL aspects of DISASTER RECOVERY and business continuity planning. Previous victims reveal the best long-term solutions which avoid additional problems arising in the future. Contact: Juliet Coe, IBC Technical Services
Tel: 071 637 4383
LONDON

JUNE 22&23
The Allocation of the Radio Spectrum
The conference will provide a broad international perspective of developments: consider the allocation of the radio spectrum; what services should be run on it, *competing or monoploy*: and how transnational services can be co-ordinated.
Enquiries: Financial Times
Tel: 071-925 2323 Fax: 071-925 2125
LONDON

JUNE 22&23
UTILITIES REGULATION
The regulatory system and its effect on the utilities industry from privatisation the Competition and Services (Utilities) Act 1992. Enquiries to Athina Peters, IBC Legal Studies and Services Limited
TEL: 071-637 4383 FAX: 071-631 3214.
LONDON

JUNE 22-23
Marketing Information and Planning Systems (MKIS)
Anyone involved in marketing their company's products or services will benefit from learning how to design and use and MKIS for identifying market potential, penetratio-nand projection. Speaker Van . Contact: Louise Knight, Frost & Sullivan Ltd.
Tel: 071 730 3438 Fax: 071 730 3343.
LONDON

JUNE 22-24
Financial Markets Analysis & Investment Strategy
A course for investment, fund and portfolio managers and market analysts. A new approach for analysing and formulating *strategies based on an 'integrated' Systems*. Combines expertise from the UK, US, Bank of England and The Fed. Contact: Pamela Manser, Imperial College Tel: 071 225 8667
Fax: 071 225 8668
LONDON

JUNE 24
The Legal Implications of *waste To Energy Projects*
Find out why waste to energy projects should be undertaken, how to do so and what can be achieved through their successful implementation. Enquiries to Athina Peters, IBC *legal Studies and services Limited, Tel: 071-*637 4383, Fax: 071-631 3214
LONDON

JUNE 24-25
Executive Information Systems '92 Annual Conference and Exhibition
Major independent event for EIS sponsors, developers and managers with 16 outstanding *US and European speakers, many live* system demonstrations and a comprehensive EIS supplier exhibition.
For full colour brochure ring Business Intelligence: 081-544 1830
Fax: 081-544 9020
LONDON

JUNE 25&26
RAISING CAPITAL IN THE US
Designed for anyone considering tapping the US investment Markets. Programme includes: KEYNOTE SPEECH: SEC Commissioner Mary Schapiro. DEBATE: The NYSE, The American Stock Exchange and NASDAQ. CASE STUDIES include: Enterprise Oil, Carlton Communications & AKZO Call: Mary Parker-Jervis on *071-637 4383*
LONDON

JUNE 25-26
Negotiating with the Spanish
How to deal with the *typical behavioural* aspects of conducting business with the Spanish, how to understand Spanish values and stereotypes *and how to build long-term* relationships. Speaker: Vincent Guy. Contact: Louise Knight, Frost & Sullivan Ltd. Tel: 071 730 3438. Fax: 071 730 3343.
LONDON

JUNE 29
UTILITIES REGULATION
The regulatory system and its effect on the utilities industry from privatisation the Competition and Services (Utilities) Act *1992. Enquiries to Athina Peters, IBC Legal* Studies and Services Limited
TEL: 071-637 4383 FAX: 071-631 3214.
LONDON

JUNE 29-30
Marketing to and Managing Major Accounts
Highly recommended for anyone looking to improve their organisations or Accounts business strategy. Speaker: Michael Hunter. *Contact: Louise Knight. Tel: 071 730 3438* Fax: 071 730 3343
LONDON

JUNE 29 - 30
Direct marketing of Technical Products and Services
After direct marketing has been put into the context of the marketing mix, this seminar explores practical case study examples and why they have been successful. Speaker: Brian Thomas. Contact: Louise Knight, Frost *& Sullivan Ltd.* Tel: 071 730 3438. Fax: 071-730 3343
LONDON

JUNE 29 - JULY 3
BUSINESS STRATEGIES FOR *FINANCIAL SERVICES*
A residential seminar run jointly by Henley management College and the Chartered Institute of bankers to help senior executives analyse and review key strategic issues in financial organisations. *Contact Gill* Hernon, CIB 071-623 3531
HENLEY

JUNE 29 - AUGUST 7
Summer Courses in International Studies and Management
At the London School of Economics. Intensive programmes, taught at London University degree standard, providing an opportunity for enhancing the existing skills of professionals, managers and businessmen.
Contact: Nicola Meadon, Tel: 071-955 7227
Fax: 071-955 7676
LONDON

JULY 1
Privatising British Railfreight
A conference to examine the options for privatising the railfreight division of British Rail. Speakers include political representatives, financial experts, freight analysts and *railfreight customers. Contact: Iain Dale*. The Waterfront Partnership.
Tel: 071 730 0430 Fax: 071 730 0460
LONDON

JULY 2-3
Privatization
Worldwide ministers, officials, and experts will gather at Sixth London Privatization Conference. Speakers include Sir William Ryrie (IFC), Ibrahim Elwan (World Bank), *John Mullen (USAID)*. Themes include regulation, management renewal, attracting foreign finance, developing a stockmarket. *Enquiries: Adam Smith Institute*
Tel: 071 222 4995 Fax: 071 222 7544
LONDON

JULY 6
Creating A Business Oriented I.T. Department
This one day management conference examines the opportunities, problems and critical factors involved in refashioning I.T. departments to be more responsive to business needs. *Contact: Business Intelligence*
Telephone: 081-544 1830
Fax: 081-544 9020
LONDON

JULY 6 & 7
Telecommunications & the European Business Market
The liberalisation of the European telecom*munications* market, the new alliances that are being formed to meet the global communications needs of business customers. *Enquiries:Financial Times*
Tel: 071-925 2323 Fax: 071-925 2125
LONDON

JUNE 2-3
UKRAINE - THE NEW *BUSINESS PARTNER*
Two day conference exploring financial and economic opportunities in Ukraine. Speakers from Ukrainian Parliament and Western experts. Details: Interforum Services, 565 Fulham Road, London, SW6 1ES. Tel: 071-386 9322 Fax: 071-381 8914
LONDON

INTERNATIONAL

MAY 13 & 14
Doing Business in an Integrated Europe
The Impact of EC Law and Policy. This con*ference, arranged with Lovell White Durrant*, will discuss the broader issues arising from integration and examine their implications for business.
Enquiries: Financial Times
Tel: 071-925 2323 Fax: 071-925 2125
BRUSSELS

JUNE 3-5
Venture Symposium 92
Leading venture capitalists will examine how funds have performed so far and debate strategies for improving performance in the 1990s.
Enquiries: Financial Times
Tel: 071-925 2323
Fax: 071-925 2125
MADRID

JUNE 22 & 23
World Gold
This annual meeting provides a unique forum for producers, traders, bankers and users to discuss international market trends.
Enquiries: Financial Times
Tel: 071-925 2323
Fax: 071-925 2125
MONTREUX

JUNE 29-30
6th Annual Planning For Euro-Trusts and Euro-Estates
Updating the jurisdictions, forecasting the future, identifying and solving problems in international trust and estate planning practice. Enquiries to Vicki Goffin, IBC Legal Studies and Services Limited, Tel: 071-637 4383. Fax: 071-631 3214
GENEVA

OCTOBER 5-6
Competitive Intelligence
Strategies. Objectives. Organisation. Sources. Techniques. Tools. Analysis. Seminar presented by Kirk Tyson, author of "Competitor Intelligence Manual & Guide". For executives and analysts with planning, business development, and research responsibilities. Also in BRUS*SELS 8-9 October* Contact IIB SA, Geneva, Switzerland. Tel: (41) 22 788 2751. Fax: (41) 22 788 2726
BERLIN

EXHIBITIONS

MAY 11-14
IFPEX 92 - The International Fluid Power Exhibition
The only UK-based international exhibition for users of hydraulic and pneumatic equipment, sponsored by the British Fluid Power Association. Almost 200 exhibitors are demonstrating every aspect of fluid power. Ring 0895 679111 for Complimentary Tickets, or 0895 677677 for information.
BIRMINGHAM

JUNE 30 - JULY 1
***EUROPEAN FUTURES AND* OPTIONS EXHIBITION**
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WORLD STOCK MARKETS

INDICES

NEW YORK

DOW JONES	Apr 24	Apr 23	Apr 22	Apr 21	1992 HIGH	1992 LOW	Since compilation HIGH	Since compilation LOW
‡Industrials	3324.46	3348.61	3338.77	3343.25	3366.50 (16/4)	3172.41 (2/1)	3366.50 (16/4/92)	41.22 (2/7/32)
Home Bonds	98.91	98.88	98.98	99.17	99.81 (6/2)	98.41 (20/3)	99.81 (6/2/92)	54.99 (1/10/81)
Transport	1360.24	1375.75	1343.61	1354.82	1467.68 (20/2)	1301.57 (8/4)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	207.69	208.38	207.81	208.12	225.59 (3/1)	200.74 (8/4)	236.23 (2/1/90)	10.50 (8/4/32)

‡Day's High 3381.48 (3376.34) Low 3305.23 (3298.52)

STANDARD AND POOR'S	Apr 24	Apr 23	Apr 22	Apr 21	1992 HIGH	1992 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	409.02	411.60	409.81	410.26	420.77 (15/1)	394.50 (8/4)	420.77 (15/1/92)	4.40 (1/6/32)
Industrials	484.38	487.07	485.36	487.23	499.27 (15/1)	470.91 (8/4)	499.27 (15/1/92)	3.62 (21/6/32)
Financial	34.49	34.92	34.79	34.22	35.14 (15/1)	32.40 (8/4)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	225.12	226.16	225.42	225.70	231.85 (15/1)	217.92 (8/4)	231.85 (15/1/92)	4.46 (25/4/42)
Amex Mkt. Value	385.98	386.26	386.35	386.73	418.99 (12/2)	380.90 (8/4)	418.99 (12/2/92)	29.31 (9/12/72)
NASDAQ Composite	572.89	576.05	578.23	575.05	644.92 (12/2)	572.89 (24/4)	644.92 (12/2/92)	54.87 (31/10/72)

	Apr 10	Apr 3	Mar 27	year ago (approx.)
Dow Industrial Div. Yield	2.85	2.85	2.86	3.45

	Apr 22	Apr 15	Apr 8	year ago (approx.)
S & P Industrial div. yield	2.63	2.57	2.70	2.74
S & P Indl. P/E ratio	28.80	29.46	27.95	18.70

NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Closing price	Change on day
Black & Decker	5,873,000	24	+ ¼
Glaxo	3,685,200	25⅝	—
Paramount	3,392,000	45½	- 1½
Gen Motors	3,158,200	39⅝	- 2¾
Chiquita	2,966,000	20⅝	- 4¼
Am Express	2,485,500	22⅝	- ⅛
Bk Of Boston	2,389,600	21¼	+ 1¼
Chicorp	1,797,500	18¾	- ¼
McDonalds	1,760,400	44	+ 1¼
Ford Motor	1,760,100	43¼	- ⅞

TRADING ACTIVITY

† Volume (Millions)	Apr 24	Apr 23	Apr 22
New York SE	198.750	235.730	218.790
Amex	14.215	13.681	12.731
NASDAQ	(u)	201.879	198.889
NYSE			
Issues Traded	2,221	2,230	2,257
Rises	808	829	835
Falls	880	849	873
Unchanged	533	552	529
New Highs	64	69	77
New Lows	28	27	31

CANADA

TORONTO	Apr 24	Apr 23	Apr 22	Apr 21	1992 HIGH	1992 LOW
Metals & Minerals	2990.12	2991.22	2989.13	2965.84	3238.87 (16/1)	2828.26 (8/4)
Composite	3349.69	3371.47	3367.75	3380.73	3666.00 (16/1)	3318.10 (8/4)
MONTREAL Portfolio	1751.86	1769.31	1768.15	1778.23	1937.59 (16/1)	1727.04 (8/4)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poor's—10; and Toronto Composite and Metals—1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds.‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

	Apr 24	Apr 23	Apr 22	Apr 21	1992 HIGH	1992 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1609.6	1607.8	1599.0	1588.0	1675.60 (15/1)	1545.30 (9/4)
All Mining (1/1/80)	690.7	690.2	694.7	695.4	717.20 (25/2)	660.30 (2/1)
AUSTRIA						
Credit Aktien (30/12/84)	413.04	416.83	417.32	416.21	458.57 (24/2)	372.24 (3/1)
Traded Index (2/1/91)	979.76	991.06	995.15	991.41	1099.43 (24/2)	901.64 (2/1)
BELGIUM						
BEL20 (1/1/91)	1221.58	1205.43	1199.19	1195.43	1234.72 (3/3)	1097.23 (8/1)
DENMARK						
Copenhagen SE (3/1/83)	334.04	333.93	334.44	334.66	365.29 (15/1)	326.35 (9/4)
FINLAND						
HEX General (28/12/90)	815.3	808.9	812.9	804.1	935.90 (24/2)	778.30 (9/4)
FRANCE						
CAC General (31/12/82)	537.62	538.16	536.39	535.60	538.64 (16/4)	475.53 (2/1)
CAC 40 (31/12/87)	1984.91	1978.14	1983.66	1980.36	1993.88 (18/3)	1749.91 (2/1)
GERMANY						
FAZ Aktien (31/12/58)	718.81	714.57	713.88	711.48	715.44 (3/3)	643.26 (8/1)
Commerzbank (1/12/53)	2003.8	2014.7	2013.2	2006.00	2026.70 (3/3)	1813.80 (8/1)
DAX (30/12/87)	1745.70	1752.44	1753.30	1746.50	1764.80 (5/3)	1578.73 (8/1)
HONG KONG						
Hang Seng Bank (31/7/64)	5330.17	5287.78	5189.03	5093.09	5338.17 (24/4)	4301.78 (2/1)
IRELAND						
ISEQ Overall (4/1/88)	1422.40	1423.30	1422.76	1415.98	1469.57 (17/1)	1346.61 (3/4)
ITALY						
Banca Com. Ital. (1972)	508.56	510.14	507.15	506.33	551.59 (6/2)	496.23 (9/4)
MIB General (2/1/92)	1002.0	1005.0	999.0	998.8	1086.00 (5/2)	977.00 (30/3)
JAPAN						
Nikkei (16/5/49)	17542.45	17402.85	16859.12	16787.33	23801.18 (6/1)	16598.15 (9/4)
Tokyo SE (Topix) (4/1/68)	1313.91	1315.83	1283.03	1280.20	1763.43 (6/1)	1196.19 (9/4)
2nd Section (4/1/68)	1925.44	1921.37	1929.75	1946.44	2459.85 (8/1)	1910.56 (9/4)
MALAYSIA						
KLSE Composite (4/4/86)	583.71	582.9	573.95	572.57	619.06 (20/2)	546.63 (14/1)
NETHERLANDS						
CBS Ttl.Rtn.Gen.(End 1983)	301.0	300.1	300.2	299.4	301.00 (24/4)	274.00 (8/1)
CBS All Shr (End 1983)	210.7	210.3	210.5	209.9	210.70 (24/4)	192.40 (8/1)
NORWAY						
Oslo SE (Ind) (2/1/83)	708.21	705.21	705.70	713.12	748.03 (17/1)	667.88 (25/2)
PHILIPPINES						
Manila Comp (2/1/85)	1174.68	1178.38	1164.39	1171.54	1303.30 (17/1)	1083.01 (17/3)
SINGAPORE						
SES All-Singapore (2/4/75)	383.74	381.85	381.44	381.4	416.99 (21/1)	370.13 (9/4)
SOUTH AFRICA						
JSE Gold (28/9/78)	1006.0	1023.0	1023.0	1019.0	1327.00 (21/1)	1006.00 (24/4)
JSE Industrial (28/9/78)	4227.0	4219.0	4192.0	4174.0	4535.00 (15/1)	4169.00 (2/1)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	595.88	582.87	584.22	588.51	691.48 (8/2)	569.65 (10/4)
SPAIN						
Madrid SE (30/12/85)	250.03	249.59	251.41	252.84	266.51 (28/2)	238.93 (2/1)
SWEDEN						
Affarsvarlden Gen. (1/2/37)	987.3	984.2	980.00	982.60	1009.70 (20/3)	913.70 (2/1)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	(u)	842.6	838.3	828.0	842.60 (23/4)	748.50 (8/1)
SBC General (1/4/87)	(u)	657.3	654.4	650.8	657.30 (23/4)	601.10 (8/1)
TAIWAN**						
Weighted Price (30/6/66)	4480.12	4470.31	4505.07	4556.09	5391.63 (30/1)	4405.44 (13/4)
THAILAND						
Bangkok SET (30/4/75)	794.81	797.67	786.93	785.09	832.39 (7/4)	711.81 (3/1)
WORLD						
M.S. Capital Intl.(1/1/70) ($)	490.6*	489.8	486.1	485.4	542.10 (7/1)	467.50 (8/4)
Euro Top-100 (26/6/90)	943.09	943.24	943.60	943.09	944.86 (15/4)	870.31 (2/1)

**Saturday April 18: Taiwan Weighted Price: 4537.81, Korea Comp Ex. 587.79.
‡ Subject to official recalculation. *Calculated at 15.00 GMT.
Base values of all indices are 100 except: Austria Traded, BEL20, HEX Gen., MIB Gen., Euro Top-100, ISEQ Overall and DAX—1,000, JSE Gold—255.7, JSE 26 Industrials—264.3 and Australia All Ordinary and Mining—500; (c) Closed. (u) Unavailable.

TOKYO - Most Active Stocks
Friday 24 April 1992

	Stocks Traded	Closing Prices	Change on day
Meiji Milk	6.7m	780	-25
Morinaga Milk	6.5m	785	+1
Minbea	5.9m	499	+56
Toshiba Corp	5.5m	639	-1
TEAC	5.4m	1,050	-40
Hitachi	5.2m	845	+9
Canon Inc	4.5m	1,390	+20
Mitsubishi Elec	3.9m	601	+6
Kawasaki Steel	3.6m	298	-2
Fujitsu Ltd	2.9m	708	+5

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AUTHORISED UNIT TRUSTS

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
[illegible]						

Manulife Management Ltd (1200)F
St George's Way, Stevenage Dealings:071-256 5858

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
Growth Units	5¼	137.9	139.1	148.9	3.52	40905
Gilt & Fxd Int	5	156.2	156.2d	165.6	7.85	40404
Intl Growth	5¼	136.8	136.8	146.6	0.59	40908
North American ♥	5¼	104.4	104.4	112.1	0.46	40910
Far East	5¼	129.3	129.3	138.7	1.13	40911
UK Smaller Cos	5¼	105.5	105.5	112.8	2.61	40909
European	5¼	53.07	53.07	56.65	0.82	40912
Japanese Growth	5¼	26.74	26.74d	28.57	0.00	47786
Managed P'folio	5¼	48.76	48.76	52.22	1.60	47787
High Income	5¼	142.8	143.9d	153.9	5.78	40906

Marks & Spencer Unit Trust Ltd (1200)F
PO Box 410, Chester X, CH99 9DG 0244 680066

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
M & S Inv P'folio	5¾	114.2	114.5	122.4	3.17	48595
Do Accum	5¾	124.0	124.3	132.9	3.17	48596
UK Sel P'folio	5¾	98.09	98.83	105.7	4.75	47804
Do Accum	5¾	106.2	107.1	114.5	4.75	47805

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
N&P Gilt & Fixed Int	5	67.23	67.23	71.15	8.12	40708
N&P Higher Income	5	150.30	156.50	166.10	6.05	40709
N&P Smaller Co's	5	56.58	58.87	62.97	2.75	46300
N&P International	5	74.60	74.60	80.14	2.65	40710

National Provident Inv Mgrs Ltd (1400)H
48 Gracechurch St, EC3P 3HH 071-623 4200

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
NPI American Acc ♥	5	78.44	78.89	83.93	0.74	41103
NPI American Dist ♥	5	72.70	73.12	77.79	0.74	46660
NPI European Acc	5	71.78	72.30	76.92	0.08	41104
NPI European Dist	5	69.66	70.17	74.65	0.08	46661
NPI Far East Acc ♥	5	99.1	99.6	106.0	0.64	41105
NPI Far East Dist ♥	5	97.7	98.2	104.5	0.64	46662
NPI Global Dist	5½	55.00	55.14	58.97	3.96	41935
NPI O'seas Acc	5	882.4	887.9	944.6	0.94	41107
NPI O'seas Dist	5	683.1	687.3d	731.2	0.94	41106
NPI UK Acc	5	518.0	521.5	554.8	3.97	41109
NPI UK Dist	5	281.0	282.8	300.9	3.97	41108
NPI Extra Inc Dist	5½	56.43	56.90	60.86	4.67	41936

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: *The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit* trust managers quote a much narrower spread. As a result, the bid price is often well above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: *The letter F denotes* that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

***SCHEME PARTICULARS AND* REPORTS:** The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation,
Centre Point,
103 New Oxford Street, London WC1A 1QH
Tel: 071 – 379 – 0444.

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Stewart Ivory Unit Tst Mgrs Ltd (1200)H
45 Charlotte Sq, Edinburgh 031-226 3271

Unit Name	Init Chge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
American ♥	5	280.2	280.2	299.1	0.76	41410
(Accum Units) ♥	5	329.8	329.8	352.0	0.76	41411
British	5	830.6	847.9d	997.1	5.58	41416
(Accum Units)	5	1392.9	1421.9	1504.4	5.58	41417
European	5	334.5	334.5	354.7	1.44	41418
(Accum Units)	5	362.6	362.6	384.5	1.44	41419
Japan	5	91.40	91.40	97.20	–	41420
(Accum Units)	5	92.13	92.13	97.98	–	41421
New Pacific	5	199.3	199.3	212.9	1.65	46305
(Accum Units)	5	204.7	204.7	218.6	1.65	47954
PEP Apr 22	5	156.9	158.6	167.8	3.66	47588
Mngd Equity	5	138.0	129.4	136.9	2.79	47586
Mngd Equity Acc	5	135.8	137.3	145.3	2.79	40586
Mngd Cash	0	95.80	95.50xd	95.80	9.82	47585
(Accum Units)	0	120.3	120.3	120.3	9.82	40267
Majority Stlg	1	99.88	99.88	100.88	9.51	42703
Majority Stlg Acc	1	110.77	110.77	111.88	9.51	46689

Storebrand Intl Inv Mngrs Ltd (1200)F
Admin 5 Rayleigh Rd, Hutton, Brentwood, Essex
Enquiries 0277 227300 Dealing 0277 261010

Unit Name	Init Chge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
International Mar 13	0	50.61	50.61	51.01	2.69	46906

Sun Alliance Unit Tst Mngmt Ltd (1200)F
St Mark's Court, Horsham 0403 232323

Unit Name	Init Chge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
Equity	6	625.7	625.7	669.5	2.95	41423
North America	6	84.11	84.11	89.96	0.37	41424
Far East	6	84.18	84.18	90.00	0.69	41425
W'wide Bond	6	46.92	46.92xd	49.91	6.39	41426
European	6	68.28	68.28	73.03	1.68	41430
Equity Income	6	69.61	69.61	74.45	5.59	41431
Portfolio	6	58.66	58.66xd	62.74	2.47	41432
Broker Trusts						
Worldwide Growth	6	47.00	47.00	50.00	2.23	47726

Sun Life of Canada Unit Mgrs Ltd (1000)H
Basingview, Basingstoke, Hants 0800 525725

Unit Name	Init Chge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
American Growth	6	26.79	26.79	28.66	0.69	41795
Managed Assets	6	103.90	104.52	111.79	3.63	44067
UK Income	6	32.38	32.77	35.05	4.97	41432
UK Growth	6	32.34	32.58	34.85	3.82	41433
Worldwide Growth	6	23.80	23.80	25.46	1.20	41434

Sun Life Trust Mngmt Ltd (1200)H
101, Cannon St, London EC4N 5AD
Admin & Enq 071-606 4044 Dealing 071-606 6010

Unit Name	Init Chge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
Master Portfolio	5½	33.37	33.47d	35.80	1.86	41435
Amer Growth Acc	5½	43.31	43.31	46.32	0.00	41436
Cap Protector Acc	5½	36.70	37.13xd	39.71	4.53	41439
Cap Protector Inc	5½	31.84	32.29xd	34.53	4.53	41440
Euro Growth Acc	5½	58.03	58.03	61.86	0.67	41441

M & G Securities Ltd

	Bid Price	Offer Price	Yield Gross	City-line
Charibond Apr 23	106.53		10.12	40883
(Accum Units)	644.83		10.12	40384
NAACIF Apr 21	42.00		9.42	46917

Morgan Grenfell Investment Funds Ltd
Exempt Funds

	Bid Price	Offer Price	Yield Gross	City-line
UK Equity Apr 21	135.3	145.2	1.86	46925
UK Small Co Apr 21	527.1	577.1	3.47	46926
Fixed Interest Apr 21	112.2	118.0	8.48	46920
US Small Co Apr 21	162.1	173.5	0.00	46927
Managed Apr 21	111.0	116.8	3.35	46924
Intl Bond Apr 21	118.1	124.5	10.31	47790
Japan Apr 21	58.67	62.57	4.69	47877
European Apr 21	92.01	98.50	1.72	47876
Nth American Apr 21	118.8	128.1	1.24	47878

Murray Johnstone UT Mngmt
Murray Exempt Funds

	Bid Price	Offer Price	Yield Gross	City-line
Amer Expt Apr 22	56.09	58.34	1.70	41064
Euro Expt Apr 22	53.34	56.01	2.43	41065
Fixed Int Ex Apr 22	48.39	49.59	8.77	46574
Japan Expt Apr 22	35.55	36.98	0.89	41066
Managed Ex Apr 23	46.35	48.21xd	4.03	41067
SE Asia Expt Apr 22	76.53	80.36xd	2.56	41068
Sm Cos Expt Apr 22	36.60	38.43	3.23	41069
UK Eqty Ex Apr 22	44.80	47.04	3.69	41070

Phillips & Drew Fund Management Ltd

	Bid Price	Offer Price	Yield Gross	City-line
Small Co's Mar 4	686.40	698.79	4.04	41138
Do Accum	761.43	810.61	4.04	41139
Int Expt Apr 23	185.56	189.56xd	1.67	41140
UK Index Mar 4	1135.99	1150.06	4.53	46945
Do Accum	1258.32	1273.91	4.53	46946
Convertible Apr 13	94.03	97.03xd	8.36	46935
World ex UK Index Apr 21	740.61	749.17	2.25	47887
Do Accum	740.61	749.17	2.25	47883
Japan Index Apr 21	425.31	431.80	0.98	47881
Do Accum	427.0	433.51	0.98	47882
USA Index Apr 21	1067.59	1074.7	3.02	47885
Do Accum	1112.82	1120.23	3.02	47886
Europe ex UK Index Apr 21	914.74	928.77	3.17	47879
Do Accum	951.29	965.88	3.17	47880
Pacific ex Jap Index Apr 21	1054.73	1088.14	3.68	47883
Do Accum	1126.41	1156.61	3.68	47884
Managed Exempt Apr 23	110.40	112.44	5.27	40338
American Exempt Apr 23	137.00	139.59xd	3.31	40574
European Exempt Apr 23	121.85	124.25xd	2.85	40628
Japan Exempt Apr 23	90.27	92.31xd	0.54	40635
Pacific Basin Apr 23	162.17	166.59xd	2.11	40636

Rothschild Asset Management

	Bid Price	Offer Price	Yield Gross	City-line
NC Property	150.4	166.0xd	–	41205

Allied Dunbar Assurance Plc – Contd.

INSURANCES

OTHER UK UNIT TRUSTS

Continued on next page

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	Bid Price	Offer Price	Yield Gross	City-line
Norwich Union Life Insurance Soc.–Contd.				
Pensionmaster & Unit-Linked Plan*				
Mixed Fund	456.8	480.8	–	43233
Ordinary Share Fund	706.7	743.9	–	43229
International Fund	166.4	175.2	–	43230
Property Fund	259.6	273.3	–	43231
Fixed Interest Fund	405.7	427.1	–	43227
Index-Linked Sec. Fund	189.4	199.4	–	43228
Deposit Fund	280.5	295.3	–	43232
Norwich Units Apr 22	1116.59		–	43234
*Prices as at April 21				
Jersey Investment Plan				
With Profits Fund	123.85	130.37	–	40525
Intl Equity Fund	91.72	96.55	–	40438
Intl Bond Fund	118.49	124.69	–	40349
Norwich Union Pensions Management Ltd				
Surrey Street, Norwich, NR1 3NG 0603 683335				
Group Pooled Pensions				
Balanced Managed Fd	325.73	331.24	–	44391
Growth Managed Fd	108.43	110.37	–	44395
Sentinel Managed Fd	106.44	107.80	–	44399
Prices as at April 29				
Pearl Assurance (Unit Funds) Ltd				
Lynch Wood, Peterborough PE2 6FY 0733 470470				
Property Dist. (Gross)	133.9	141.0	–	43235
Property Acc. (Gross)	255.3	268.7	–	43236
Equity (Gross)	897.0	944.2	–	43237
Managed (Gross)	622.7	655.4	–	43238
Property Acc. (Net)	121.4	128.4	–	43239
Equity (Net)	207.4	218.3	–	43240
Managed (Net)	191.5	201.6	–	43241
International (Net)	165.8	174.6	–	43242
Gilt & Fixed Interest	138.1	145.4	–	43243
Money Fund	138.2	145.4	–	43244
Mixed Fund (Cap)	112.4	118.4	–	46650
Mixed Fund (Acc)	116.0	122.2	–	46648

	Bid Price	Offer Price	Yield Gross	City-line
Provident Mutual Life Assc. Assn.–Contd.				
Fixed Interest Ord	224.0	235.8	–	43494
Fixed Interest Init	164.4	173.1	–	43495
Deposit Ord	184.7	194.4	–	43496
Deposit Init	135.6	142.7	–	43497
Pension Funds				
Managed Ord	464.5	488.9	–	43498
Managed Init	340.9	358.8	–	43499
Equity Ord	722.7	760.7	–	43500
Equity Init	530.4	558.3	–	43501
Pen Ind Lkd Gilt Ord	179.6	189.1	–	43502
Pen Ind Lkd Gilt Init	137.7	144.9	–	43503
Overseas Equity Ord	305.7	321.8	–	43504
Overseas Equity Init	224.4	236.2	–	43505
Property Ord	279.7	294.4	–	43506
Property Init	205.3	216.1	–	43507
Fixed Interest Ord	284.0	298.9	–	43508
Fixed Interest Init	208.5	219.5	–	43509
Deposit Ord	264.0	277.9	–	43510
Deposit Init	193.8	204.0	–	43511
Prudential Assurance Co				
Holborn Bars, London EC1N 2NH 071-405 9222				
Portfund				
Managed Mar 22	262.6	273.6	–	43512
Prudential Corporate Pension Funds				
1 Stephen St, London W1P 2AP 071-548 3281				
Prudential Managed Funds				
Discretionary Apr 22	£187.18	193.00	–	43539
Equity Apr 22	£215.39	222.77	–	43540
International Apr 22	£27.29	27.88	–	43541
Intl Bond Apr 22	£14.55	14.74	–	43542
Fixed Int Apr 22	£103.47	104.64	–	43543
Index Linked Apr 22	£72.05	72.95	–	43544
Property Apr 22	£108.48	114.92	–	43545
Cash Apr 22	£28.2639	30.2659	–	43546

Scottish Amicable

150 St Vincent St, Glasgow

	Bid Price	Offer Price	Yield Gross	City-line
Providence Capital International Ltd – Contd.				
G'teed Futures1 Sep '98	$0.977	0.977	–	45140
G'teed Futures2 Mar '99	$0.873	0.873	–	47499
Swiss Franc Mngd	SFr5.413	5.821	–	45627
Swiss Franc Money Mkt	SFr1.179	1.268	–	45628
DM Deutschmark Managed	DM1.820	1.957	–	43146
Broker Managed Funds				
£ OFS Global Port	£0.835	0.898	–	45631

	Bid Price	Offer Price	Yield Gross	City-line
J. D. Ward Financial Services Ltd				
9 Kingsway, London, WC2 B6JF 071-836 4521				
J D Ward Mngd Bond	187.0	202.2	–	44591
J D Ward Mngd Pens	121.0	130.6	–	44592
Albany Life Acc.	191.8	201.8	–	41721
Albany Pens Acc	246.3	259.2	–	41722
M&G Tripos Pen Acc.	182.6	191.9	–	47104
PEPE WS Grwth Pen Acc	182.4	191.9	–	44795

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Unit Name	Init Charge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
Rothschild Asset Management – Contd.						
OCCFL Sw Fr		SFr31.002	31.002		7.76	45695
OCCFL U S $		$15.246	15.246		2.85	45696
OCCFL Yen		Y3579.44	3,579.44		3.62	45697
OCCFL Man £	3	£10.503	10.503	10.827	7.74	45698
Daily Dealings *Weekly dealing						
Royal Bank of Canada Funds						
RBC Offshore Fund Managers Ltd						
PO Box 246, St Peter Port, Guernsey 0481 723021						

GUERNSEY (REGULATED)(**)

CANADA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

MANAGEMENT SERVICES

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)(**)

ISLE OF MAN (SIB RECOGNISED)

OFFSHORE INSURANCES

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available on FT Cityline, call 0891 123456. Calls charged at 36p/minute cheap rate and 48p/minute at all other times. To obtain your free Unit Trust Code Booklet call 071-925-2128

Bid Price | Offer Price | Yield Gross | City-line

Asset Global Funds Ltd (1200)
Victory Hse Prospect Hill Douglas IoM 0624 620097

CMI Fund Managers (IoM)
Clerical Medical Hse Douglas IoM 0624 625599
High Income
CMI Core Portfolio Fund
UK
USA
Japan

Equity & Law Intl Fund Mngrs Ltd
Victory Hse, Prospect Hill Douglas IoM 0624 677977
Total Income Fd

Gartmore Fund Managers (IoM)
PO Box 32 Douglas IoM 0624 627610
Intl Grth

Leopold Joseph Fund Mngrs (IoM) Ltd
PO Box 52 Athol St Douglas IoM
LJ International

Mercury Fund Managers IoM Ltd
11 Hill Street, Douglas IoM 0624 662255
Merc IoM Fund
Merc Intl Bond

Sun Life Management (IoM) Ltd
PO Box 178 Douglas, IoM
Secure High Income

Unibank Scandinavian Fund Ltd

ISLE OF MAN (REGULATED)(**)

JERSEY (SIB RECOGNISED)

LUXEMBOURG (SIB RECOGNISED)

JERSEY (REGULATED)(**)

LUXEMBOURG (REGULATED)(**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

MANAGED FUNDS NOTES

CURRENCIES, MONEY AND CAPITAL MARKETS

MONEY MARKET FUNDS

FOREIGN EXCHANGES AND MONEY MARKETS

Markets assess G7

The results of yesterday's G7 meeting in Washington are certain to dominate trading today as the market looks for any sign of loosening in either German or Japanese fiscal policy; *writes James Blitz.*

By the end of last week, many analysts had given up on the idea that Germany might respond to US pressure to loosen policy. But the Bank of Japan's approach on interest rates and money supply is likely to have an impact on dollar/yen trading.

According to Gerard Lyons, chief economist at DKB International, much will depend on what the BoJ decides to do. "The forex markets believe that if Japan boosts spending, it will be interpreted as a decision not to cut rates. That will give support to the Yen." If, on the other hand, Japanese rates come down, the Japanese may still have sought some agreement with the Fed to support the Yen if it starts to fall.

As the week progresses, attention is certain to fall even more firmly on the dollar as a string of important economic statistics come out of the US. Among the most important is First Quarter GDP, due out tomorrow, which the markets believe should show a rise of 1.7%. Figures for consumer confidence and personal consumption are also due out tomorrow and Wednesday, respectively.

"All these figures are likely to show that the economy is in the early stages of recovery, and should give further support to the dollar," said Mr Lyons. But an immediate surge in the dollar's value is unlikely. "We have seen stability in Yen/dollar rates recently," he says. "I think that rather than talk of sharp movements, the US statistics will give a firm underpinning to the dollar."

UK clearing bank base lending rate 10.5 per cent from September 4, 1991

£ IN NEW YORK

Apr.24	Close	Previous Close
£ Spot	1.7722-1.7732	1.7673-1.7683
1 month	0.98-0.96pm	0.97-0.95pm
3 months	2.80-2.77pm	2.78-2.75pm
12 months	9.08-8.98pm	9.02-8.92pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

CURRENCY MOVEMENTS

Apr 24	Bank of England Index	Morgan** Guaranty Changes %
Sterling	92.3	-19.4
U.S. Dollar	64.9	-13.2
Canadian Dollar	101.4	-0.9
Austrian Schilling	110.1	+12.3
Belgian Franc	111.4	-2.0
Danish Krone	108.9	+2.9
D-Mark	118.5	+24.8
Swiss Franc	103.6	+11.3
Dutch Guilder	114.3	+15.9
French Franc	103.9	-12.4

OTHER CURRENCIES

CURRENCY RATES

CHICAGO

PHILADELPHIA SE £/$ OPTIONS

£31,250 (cents per £1)

Strike Price	Calls May	Calls Jun	Calls Jul	Calls Sep	Puts May	Puts Jun	Puts Jul	Puts Sep
1.675	9.60	9.60	9.60	9.60	-	0.32	0.89	2.39
1.700	7.15	7.15	7.20	7.51	0.10	0.69	1.48	3.24
1.725	4.66	4.88	5.20	5.72	0.36	1.32	2.32	4.35
1.750	2.62	3.09	3.60	4.28	0.98	2.27	3.39	5.68
1.775	1.24	1.92	2.45	3.14	2.17	3.60	4.86	7.23
1.800	0.47	1.07	1.55	2.35	3.89	5.32	6.57	8.91
1.825	0.11	0.54	0.94	1.67	6.04	7.31	8.41	10.79

Previous day's open int: Calls 277,914 Puts 489,183 (All currencies)
Previous day's volume: Calls 7,277 Puts 38,276 (All currencies)

POUND SPOT - FORWARD AGAINST THE POUND

Apr 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.7660 - 1.7780	1.7715 - 1.7725	0.97-0.95cpm	6.50	2.82-2.79pm	6.33
Canada	2.0515 - 2.1035	2.0515 - 2.0525	0.75-0.68cpm	4.18	2.06-1.94pm	3.90
Netherlands	3.2870 - 3.2975	3.2875 - 3.2975	¼-⅛cpm	0.91	¾-½pm	0.76
Belgium	60.05 - 60.35	60.25 - 60.35	7-2cpm	0.90	15-10pm	0.83
Denmark	11.3030 - 11.3375	11.3275 - 11.3375	¾-parorepm	0.40	1¼-¾pm	0.29
Ireland	1.0940 - 1.0975	1.0965 - 1.0975	0.04-parcpm	0.22	0.08-0.01pm	0.16
Germany	2.9210 - 2.9275	2.9225 - 2.9275	¼-⅛pfpm	0.77	1½-¾pm	1.28
Portugal	247.48 - 248.85	247.40 - 248.40	50-87cdis	-3.32	101-148dis	-2.01
Spain	183.40 - 184.05	183.65 - 183.95	19-37cdis	-1.83	49-68dis	-1.27
Italy	2198.10 - 2204.95	2200.25 - 2201.25	2-3liredis	-1.34	8-10dis	-1.64
Norway	11.4235 - 11.4525	11.4425 - 11.4525	½-parorepm	0.26	¾-parpm	0.13
France	9.8665 - 9.8950	9.8775 - 9.8875	¾-¼cpm	0.61	1-½pm	0.30
Sweden	10.5510 - 10.5825	10.5725 - 10.5825	1-1½oredis	-1.42	3-3½dis	-1.21
Japan	237.55 - 239.00	238.00 - 239.00	1¼-1ypm	5.66	3½-3¼pm	5.77
Austria	20.54 - 20.61	20.58 - 20.61	2⅛-1¼gropm	1.06	6¼-3¾pm	0.95
Switzerland	2.7050 - 2.7200	2.7100 - 2.7200	½-¼cpm	1.66	1¼-1pm	1.57
Ecu	1.4250 - 1.4290	1.4265 - 1.4275	0.09-0.03cpm	0.50	0.12-0.06pm	0.25

Commercial rates taken towards the end of London trading. Six-month forward dollar 5.32-5.27pm. 12 Month 9.12-9.02pm

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Apr 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7660 - 1.7780	1.7715 - 1.7725	0.97-0.95cpm	6.50	2.82-2.79pm	6.33
Ireland†	1.6105 - 1.6180	1.6165 - 1.6175	0.86-0.83cpm	6.27	2.53-2.46pm	6.17
Canada	1.1840 - 1.1870	1.1845 - 1.1855	0.23-0.25cdis	-2.43	0.74-0.78dis	-2.57
Netherlands	1.8520 - 1.8675	1.8575 - 1.8585	0.88-0.91cdis	-5.78	2.60-2.64dis	-5.64
Belgium	33.85 - 34.10	34.00 - 34.10	14.50-15.50cdis	-5.29	45.00-48.00dis	-5.46
Denmark	6.3675 - 6.4100	6.3925 - 6.3975	3.20-3.50oredis	-6.29	9.40-10.00dis	-6.07
Germany	1.6500 - 1.6565	1.6580 - 1.6510	0.83-0.84pfdis	-6.07	2.39-2.41dis	-5.82
Portugal	139.90 - 140.40	140.05 - 140.15	109-116cdis	-9.64	305-325dis	-8.99
Spain	103.40 - 104.90	103.70 - 103.80	70-80cdis	-8.67	210-220dis	-8.29
Italy	1238.75 - 1247.25	1241.75 - 1242.25	0.83-0.88liredis	-0.83	2.48-2.58dis	-0.81
Norway	6.4370 - 6.4810	6.4575 - 6.4625	3.45-3.75oredis	-6.69	9.80-10.30dis	-6.22
France	5.5580 - 5.5970	5.5750 - 5.5800	2.90-2.95cdis	-6.29	8.37-8.47dis	-6.04
Sweden	5.9415 - 5.9830	5.9675 - 5.9725	3.83-4.08oredis	-7.95	11.20-11.65dis	-7.65
Japan	133.95 - 134.70	134.50 - 134.60	par-0.01ydis	-0.04	0.01-0.03dis	-0.06
Austria	11.5920 - 11.6530	11.5920 - 11.5970	5.40-5.75grodis	-5.77	15.50-16.50dis	-5.52
Switzerland	1.5225 - 1.5370	1.5320 - 1.5330	0.65-0.68cdis	-5.21	1.82-1.85dis	-4.79
Ecu	1.2380 - 1.2450	1.2420 - 1.2430	0.64-0.62cpm	6.08	1.88-1.82pm	5.96

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EXCHANGE CROSS RATES

Apr.24	£	$	DM	Yen	F Fr.	S Fr.	H Fl.	Lira	C$	B Fr.	Pta.	Ecu
£	1	1.772	2.925	238.5	9.883	2.715	3.293	2201	2.052	60.30	183.8	1.427
$	0.564	1	1.651	134.6	5.577	1.532	1.858	1242	1.158	34.03	103.7	0.805
DM	0.342	0.606	1	81.54	3.379	0.928	1.126	752.5	0.702	20.62	62.84	0.488
YEN	4.193	7.430	12.26	1000.	41.44	11.38	13.81	9229	8.604	252.8	770.6	5.983
F Fr.	1.012	1.793	2.960	241.3	10.	2.747	3.332	2227	2.076	61.01	186.0	1.444
S Fr.	0.368	0.653	1.077	87.85	3.640	1	1.213	810.7	0.756	22.21	67.70	0.526
H Fl.	0.304	0.538	0.888	72.43	3.001	0.824	1	668.4	0.623	18.31	55.82	0.433
Lira	0.454	0.805	1.329	108.4	4.490	1.234	1.496	1000.	0.932	27.40	83.51	0.648
C$	0.487	0.864	1.425	116.2	4.816	1.323	1.605	1073	1	29.39	89.57	0.695
B Fr.	1.658	2.939	4.851	395.5	16.39	4.502	5.461	3650	3.403	100.	304.8	2.367
Pta	0.544	0.964	1.591	129.8	5.377	1.477	1.792	1197	1.116	32.81	100.	0.776
Ecu	0.701	1.242	2.050	167.1	6.926	1.903	2.308	1542	1.438	42.26	128.8	1

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100: Peseta per 100.

EURO-CURRENCY INTEREST RATES

FT LONDON INTERBANK FIXING

(11.00 a.m. Apr.24) 3 months US dollars		6 months US Dollars	
bid 3 15/16	offer 4 1/16	bid 4 1/8	offer 4 1/4

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK — Treasury Bills and Bonds

4pm					
Prime rate	6½	One month	3.11	Three year	5.86
Broker loan rate	6	Two month	3.59	Five year	6.83
Fed funds	3⅝	Three month	3.74	Seven year	7.18
Fed funds at intervention	-	Six month	3.94	10-year	7.53
		One year	4.22	30-year	8.05
		Two year	5.34		

Apr.24	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	9.60-9.70	9.60-9.75	9.60-9.75	9.60-9.75	9.60-9.75	9.75
Paris	-	9 15/16-10 1/16	9 15/16-10 1/16	9 15/16-10 1/16	9 15/16-10 1/16	9.60
Zurich	7⅞-8¼	8¾-9	-	8⅝-8⅞	-	-
Amsterdam	-	-	-	-	-	-
Tokyo	4 11/16-4¾	4 11/16-4 13/16	-	4 13/16-4 15/16	-	-
Milan	12¼-12½	12⅜-12⅝	-	12⅜-12½	-	-
Brussels	9⅝-9⅞	9⅞-9⅜	-	9½-9⅝	-	-
Dublin	10⅛-10⅛	10½-10⅝	10½-10⅝	10½-10⅝	10⅝-10⅞	-

LONDON MONEY RATES

Apr 24	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	11¼	10¾	10⅝	10⅝	10⅜	10⅜
Interbank Bid	10	10½	10½	10⅜	10⅜	10¼
Sterling CDs	-	-	10⅝	10⅜	10 11/32	10⅜
Local Authority Deps.	10½	10⅝	10⅝	10⅜	10⅜	10¼
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps	10¾	10½	-	-	-	-
Company Deposits	-	-	10 13/16	10⅝	10⅜	10⅜
Finance House Deposits	-	-	10⅝	10½	10½	10⅜
Treasury Bills (Buy)	-	-	10¼	9 15/16	9⅞	-
Bank Bills (Buy)	-	-	10⅜	10 1/32	9¾	-
Fine Trade Bills (Buy)	-	-	-	-	-	-
Dollar CDs	-	-	4.00	4.05	4.23	4.70
SDR Linked Dep. Offer	-	-	6½	6⅜	6⅜	6¾
SDR Linked Dep. Bid	-	-	6⅜	6¼	6¼	6⅝
ECU Linked Dep. Offer	-	-	9⅞	10 1/16	10⅛	10⅛
ECU Linked Dep. Bid	-	-	9¾	9 15/16	10	10

Treasury Bills (sell): one-month 10⅛ per cent; three months 9 15/16 per cent; six months 9 ⅞ per cent; Bank Bills (sell): one-month 10¼ per cent; three months 10 per cent; Treasury Bills: Average tender rate of discount 9.8109 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day March 31, 1992. Agreed rates for period Apr.26, 1992 to May 25, 1992, Scheme I: 11.77 p.c., Schemes II & III: 11.84 p.c. Reference rate for period Feb 29, 1992 to March 31, 1992, Scheme IV&V: 10.643 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 11 from April 1, 1992; Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 7 per cent; one-three months 9½ per cent; three-six months 9 per cent; six-nine months 9 per cent; nine-twelve months 9 per cent; Under £100,000 7 per cent from Sept 5, 1991. Deposits withdrawn for cash 5 per cent.

LONDON RECENT ISSUES

FIXED INTEREST STOCKS

RIGHTS OFFERS

BANK OF ENGLAND TREASURY BILL TENDER

WEEKLY CHANGE IN WORLD INTEREST RATES

FINANCIAL TIMES STOCK INDICES

	Apr 24	Apr 23	Apr 22	Apr 21	Apr 16	Apr 15	1992 High	1992 Low	Since Compilation High	Since Compilation Low
Government Secs.	88.31	88.45	88.49	88.49	88.65	88.82	88.82	85.11	127.4	49.18
Fixed Interest	102.24	102.21	102.31	102.40	102.80	102.67	102.80	97.15	105.4	50.53
Ordinary	2072.5	2042.7	2034.8	2047.6	2059.2	2053.0	2072.5	1851.4	2108.3	49.4
Gold Mines	109.2	111.0	111.9	112.5	111.9	113.9	160.6	109.2	734.7	43.5
FT Act All-Share	1275.75	1261.24	1258.58	1264.49	1268.47	1266.43	1284.07	987.46	1254.07	61.92
FT-SE 100	2643.0	2609.8	2607.8	2625.8	2638.6	2640.2	2643.0	2382.7	2679.6	986.9
FT-SE Eurotrack 100	1167.02	1169.11	1171.34	1166.73	1169.83	1167.06	1176.44	1078.19	1176.44	900.45
FT-SE Eurotrack 200	1213.35	1212.01	1213.46	1208.47	1213.52	1212.94	1213.52	1120.52	1213.52	938.62

LONDON SHARE SERVICE

BRITISH FUNDS

	Notes	Price £	Wk % change	Amnt £m	Interest due	Last xd	City line
"Shorts" (Lives up to Five Years)							
3pc 1992		99 5/32	0.1	500	Oc11 Ja11	4.11	1320
Exch 12¼pc 1992		100 11/32	-.1	1,350	Fe25 Au25	28.1	1265
13½pc 1992		101 5/32	-.1	1,757	Mr22 Se22	14.2	1266
Treas 8¼pc 1993		99	-	800	Au18 Fe18	13.1	5047
10pc 1993‡‡		100¾	-2	1,850	Oc15 Ap15	8.3	1279
12½pc 1993‡‡		103 5/32	-2	1,100	Ja14 Jy14	7.1	1298
Funding 6pc 1993‡‡		96 7/32	-	600	Mr15 Se15	7.2	1276
Treas 13¾pc 1993‡‡		105 13/32xd	-2	1,065	My23 Nv23	16.4	1304
8½pc 1994		98⅝	-1	2,000	Au3 Fe3	30.12	4871
14½pc 1994‡‡		108 5/32	-2	550	Se1 Mr1	24.1	1307
Exch 13½pc 1994		107 5/32	-2	1,100	Oc27 Ap27	23.3	1267
Treas 10pc Ln 1994‡‡		100 27/32	-2	1,900	De9 Je9	4.11	1284
Exch 12½pc 1994		106 5/32	-2	1,246	Fe22 Au22	16.1	1263
Treas 9pc 1994‡‡		99 1/32xd	-3	1,800	My17 Nv17	18.4	1345
12pc 1995		105 13/32	-3	2,350	Jy25 Ja25	19.12	1294
Exch 3pc Gas 90-95		90 7/32xd	0.3	214	Nv1 My1	26.3	1271
10¾pc 1995		102 5/32	-3	2,400	Ja21 Jy21	16.12	1254
Treas 12¾pc 1995‡‡		109 13/32xd	-3	840	My15 Nv15	8.4	1298
14pc 1996		113 5/32	-2	770	Jy22 Ja22	18.12	1305
9pc 1992-96‡‡		99 7/32	-3	730	Se15 Mr15	7.2	1344
15¼pc 1996‡‡		118 7/32xd	-2	1,150	Nv3 My3	27.3	1309
Exch 13¼pc 1996‡‡		112xd	-2	800	Nv15 My15	8.4	1268
Conversion 10pc 1996		102 7/32xd	-3	3,209	My15 Nv15	8.4	1240
Treas 13¼pc 1997‡‡		113 13/32	-4	1,200	Jy22 Ja22	16.12	1302
Exch 10½pc 1997		104¾	-4	2,700	Au21 Fe21	15.1	1253
Five to Fifteen Years							
Treas 8¾pc 1997‡‡		97¾	-4	3,600	Mr1 Se1	24.1	1341
Exch 15pc 1997		122¼	-3	838	Ap27 Oc27	23.3	1269
9¾pc 1998		101⅜	-4	3,250	Jy19 Ja19	13.12	1273
Treas 6¾pc 1995-98‡‡		90 13/32xd	-2	1,000	Nv1 My1	25.3	1331
15½pc '98‡‡		127 31/32	-4	985	Mr30 Se30	24.2	1308
Exch 12pc 1998		112 5/32xd	-4	3,000	My20 Nv20	13.4	1259
Treas 9½pc 1999‡‡		101 7/32	-4	1,700	Jy15 Ja15	7.1	1347
Exch 12¼pc 1999		113 13/32	-4	3,050	Se26 Mr26	18.2	1264
Treas 10½pc 1999		105 13/32xd	-4	1,252	Nv19 My19	13.4	1286
Conversion 10¼pc 1999		104 13/32xd	-4	1,698	My22 Nv22	15.4	1242
9pc 2000‡‡		98⅜	-5	3,150	Se3 Mr3	27.1	1244
Treas 13pc 2000		119 5/32	-4	3,171	Ja14 Jy14	7.1	1299
10pc 2001		104⅜	-5	4,100	Au26 Fe26	20.1	1280
14pc '98-01		119 13/32xd	-5	970	Nv22 My22	15.4	1306
9¾pc 2002		103½	-5	3,277	Fe27 Au27	21.1	1349
9¾pc 2002 C		103 7/32	-5	1,000	Fe27 Au27	-	-
10pc 2003		105 13/32	-6	1,703	Mr8 Se8	31.1	1281
10pc 2003 B		19	-3.2	800	Mr8 Se8	-	-
Treas 11½pc 2001-04		112 5/32	-4	1,628	Se19 Mr19	11.2	1290
Funding 3½pc '99-04		63⅞	-7	443	Ja14 Jy14	7.1	1274
Conversion 9½pc 2004		102¼xd	-6	1,612	Ap25 Oc25	18.3	1246
9½pc 2005		102 13/32	-6	4,092	Oc18 Ap18	12.3	1247
Treas 12½pc 2003-05		122 13/32xd	-7	2,208	My21 Nv21	14.4	1295
8pc 2002-06‡‡		90⅝	-7	1,880	Ap5 Oc5	2.3	1334
Over Fifteen Years							
Treas 11¾pc 2003-07		115 13/32	-6	3,150	Jy22 Ja22	16.12	1293
8½pc 2007 ‡‡		94 13/32	-7	1,895	Ja16 Jy16	10.12	1339
8½pc 2007 A		94⅞	-6	1,000	Jan Jul	-	-
13½pc '04-08		129 13/32	-7	1,250	Se26 Mr26	18.2	1301
9pc 2008 ‡‡		99 5/32	-5	3,521	Ap13 Oc13	9.3	1343
8pc 2009		90 7/32	-6	1,200	Mr25 Se25	17.2	1336
Conv 9pc Ln 2011 ‡‡		99 7/32	-5	1,423	Ja12 Jy12	7.1	1245
9pc 2011 B		99 5/32	-5	1,500	Jy12 Ja12	-	-
Treas 9pc 2012		99 7/32	-3	1,505	Fe6 Au6	-	-
Treas 5½pc 2008-12‡‡		67 5/32	-5	1,000	Mr10 Se10	3.2	1330
7¾pc 2012-15‡‡		87	-4	700	Jy26 Ja26	20.12	1332
Exch 12pc '13-'17		126 11/32	-5	1,000	Je12 De12	5.11	1250
Undated							
Consols 4pc		42 13/32	-9	359	Fe1 Au1	8.1	1239
War Loan 3½pc‡‡		37 13/32	-7	1,909	Je1 De1	26.10	1352
Conv 3½pc '61 Aft		51 13/32	-7	127	Ap1 Oc1	24.2	1243
Treas 3pc '66 Aft		31⅞	-1.0	56	Ap5 Oc5	2.3	1324
Consols 2½pc		25 13/32	-7	276	5JaApJyOc	2.3	1238
Treas. 2½pc		26½	-8	475	Ap1 Oc1	24.2	1315
Index - Linked (b)							
Treas. 2pc '94	(102.9)	124 7/32xd	-1	500	Nv16 My16	9.4	5070
2pc '96	(67.9)	179⅞	-1	1,100	Mr16 Se16	10.2	1313
2½pc '01	(78.3)	144 7/32	0.1	1,150	Mr24 Se24	17.2	1316
2½pc '03	(78.8)	139¼xd	-	800	Nv20 My20	13.4	1317
2pc '06	(69.5)	146⅛	0.1	1,200	Ja19 Jy19	13.12	1314
2½pc '09	(78.8)	127 5/32xd	0.1	1,100	Nv20 My20	13.4	1318
2½pc '11	(74.6)	131 5/32	0.1	1,450	Fe23 Au23	17.1	1319
2½pc '13	(89.2)	107 13/32	0.2	1,400	Fe16 Au16	18.1	1320
2½pc '16	(81.6)	114⅝	0.2	1,700	Ja26 Jy16	20.12	1321
2½pc '20	(83.0)	109¾	0.2	1,400	Oc16 Ap16	10.3	1322
2½pc '24‡‡	(97.7)	98⅞	0.3	986	Ja17 Jy17	11.12	1323

(b) Figures in parentheses show RPI base for indexing. (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945. RPI for August 1991: 134.1 and for March 1992: 136.7

OTHER FIXED INTEREST

	Notes	Price £	Wk % change	Amnt £m	Interest due	Last xd	City line
African Dev 11⅛ 2010		112 5/32	0.1	50	Ja4 Je4	1.12	-
Asian Dev 10¼pc 2009		105⅞	-	100	Mr24 Se24	28.3	-
B'ham 11½pc 2012		109	-7	45	My15 Nv15	17.4	1837
Ireland Cap 8½pc '10		89¾	-3	394	Ap1 Oc1	-	1465
9pc Cap 1996		98½	-5	735	Ja30 Jy30	-	-
13pc '97-02		104⅝	-2	315	Ap1 Oc1	28.8	1426
Hydro Quebec 15pc 2011		137 5/32	-2	48	My31 Nv31	27.10	-
Int-Am Dev 12½pc 2003		118¾	0.1	75	Ja8 Jy8	7.12	-
9¾pc 2015		101 13/32	-	175	My15 Nv15	18.10	-
Leeds 13½pc 2006		121¼	-6	40	Ap1 Oc1	12.3	3148
Liverpool 3½pc Irred		32	-	6	1JaApJyOc	1.6	3169
LCC 3pc '20 Aft		28¼	0.9	26	1MrJeSeDe	1.8	-
Manchester 11½pc 2007		109	-5	7	Ap25 Oc25	30.3	3275
Met. Wtr 3pc 'B'		57½	-4	25	Mr1 Se1	1.8	3361
N'wde Anglia 3⅞pc 2021		104⅝	0.2	69	Ja30 Jy30	8.1	3465
4¼pc IL 2024		104¾	0.2	59	Fe23 Ap23	27.1	-
Utd Mex States 16½pc 2008		124	-4	50	Mr1 Se1	17.2	-

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS — Figures in parentheses show number of lines of stock	Fri Apr 24 US Dollar Index	% chg ($) since 31/12/91	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg from 31/12/91	Gross Div. Yield	Thu Apr 23 US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Dollar Index 1992 High	1992 Low	Year ago (approx)
Australia (69)	145.34	-3.7	121.60	123.61	124.72	128.25	-2.9	4.30	146.27	122.87	124.31	126.28	128.20	153.68	140.94	145.04
Austria (19)	168.46	+1.2	140.95	143.28	144.56	144.23	+9.9	2.01	167.89	141.02	142.69	144.94	145.01	186.70	162.62	200.31
Belgium (46)	138.87	-3.8	116.19	118.10	119.16	116.61	+4.8	5.21	137.69	115.66	117.01	118.87	116.13	145.19	135.87	136.65
Canada (115)	127.33	-6.6	106.53	108.29	109.25	109.26	-4.3	3.36	128.31	107.78	109.04	110.76	110.19	142.12	125.75	138.82
Denmark (35)	233.32	-12.7	195.21	198.45	200.21	202.94	-5.5	1.82	231.85	194.75	197.05	200.15	202.68	273.94	226.81	229.62
Finland (15)	77.42	-0.8	64.78	65.85	66.44	72.82	+7.5	2.00	77.21	64.85	65.62	66.65	73.26	89.80	73.64	110.03
France (106)	157.29	+4.6	131.60	133.77	134.96	137.61	+12.5	3.43	156.01	131.05	132.58	134.67	137.17	159.16	146.06	132.03
Germany (65)	119.41	+1.8	99.91	101.57	102.46	102.46	+10.7	2.24	119.37	100.27	101.46	103.05	103.05	122.84	114.67	106.86
Hong Kong (55)	221.02	+25.3	184.92	187.98	189.67	219.57	+24.7	3.68	219.83	184.65	186.83	189.78	218.39	221.02	176.36	149.30
Ireland (18)	161.18	-3.9	134.86	137.09	138.31	140.46	+3.8	3.67	160.24	134.60	136.19	138.34	140.59	173.71	151.78	153.77
Italy (78)	71.65	-5.0	59.95	60.94	61.48	66.46	+2.8	3.46	71.54	60.10	60.80	61.76	66.76	80.86	68.92	76.80
Japan (473)	96.49	-29.0	80.73	82.06	82.80	82.06	-23.5	1.04	96.67	81.20	82.16	83.47	82.16	140.95	88.70	137.85
Malaysia (68)	237.10	+10.7	198.38	201.65	203.45	230.84	+2.8	2.79	236.65	198.79	201.12	204.30	231.28	250.18	212.49	235.12
Mexico (18)	1711.71	+23.0	1432.15	1455.83	1468.80	5762.33	+24.6	1.01	1726.17	1449.97	1467.04	1490.19	5819.50	1789.77	1378.91	906.88
Netherland (25)	154.54	+1.2	129.30	131.44	132.61	131.05	+10.0	4.26	153.30	128.78	130.29	132.35	130.77	156.48	147.88	136.98
New Zealand (14)	44.07	-6.2	36.88	37.49	37.82	43.77	-5.2	6.30	43.77	36.76	37.20	37.79	43.65	48.52	42.01	49.77
Norway (23)	172.40	-3.6	144.24	146.63	147.94	151.16	+4.4	1.69	170.19	142.96	144.65	146.93	149.96	192.95	161.26	185.21
Singapore (38)	204.12	-7.1	170.78	173.60	175.15	155.96	-4.9	2.09	203.17	170.66	172.67	175.39	155.46	228.43	192.76	203.51
South Africa (61)	226.11	-9.2	189.16	192.30	194.02	168.98	-2.3	3.01	227.31	190.94	193.18	196.23	169.29	263.60	203.16	205.06
Spain (50)	148.70	-4.9	124.41	126.48	127.60	116.88	+2.0	5.18	147.58	123.97	125.43	127.40	116.56	160.47	146.86	152.74
Sweden (25)	184.16	+1.7	154.08	156.63	158.03	182.75	+9.5	2.78	183.36	154.02	155.83	158.29	182.73	190.37	173.09	176.70
Switzerland (60)	99.07	-1.3	82.89	84.27	85.02	94.13	+11.6	2.27	98.79	82.98	83.97	85.30	94.44	104.22	95.89	91.66
United Kingdom (228)	188.25	+1.8	157.50	160.09	161.52	157.50	+7.2	4.71	185.17	155.54	157.35	159.84	155.54	188.25	165.85	167.59
USA (522)	166.63	-1.9	139.42	141.73	142.99	166.63	-1.9	2.97	167.57	140.76	142.42	144.67	167.57	171.66	160.92	153.69
Europe (791)	148.70	+0.7	124.42	126.47	127.61	127.02	+8.1	3.87	147.25	123.69	125.15	127.13	126.39	150.58	139.31	135.65
Nordic (98)	173.18	-5.8	144.90	147.30	148.61	146.53	+1.8	2.21	172.12	144.58	146.29	148.59	148.33	188.52	169.66	172.28
Pacific Basin (717)	102.44	-25.3	85.71	87.13	87.90	87.55	-20.3	1.44	102.60	86.18	87.20	88.57	87.60	141.97	94.40	138.23
Euro-Pacific (1508)	121.14	-14.5	101.35	103.02	103.94	103.83	-8.7	2.63	120.66	101.35	102.54	104.16	103.61	145.21	113.80	137.51
North America (637)	164.16	-2.1	137.35	139.64	140.89	162.73	-2.0	2.98	165.10	138.69	140.33	142.56	163.67	169.69	158.70	152.69
Europe Ex. UK (563)	125.14	+0.0	104.70	106.46	107.41	109.40	+8.7	3.23	124.55	104.62	105.88	107.55	109.49	129.79	121.81	116.21
Pacific Ex. Japan (244)	161.04	+7.3	134.74	136.99	138.20	143.75	+6.8	3.78	160.95	135.20	136.81	138.98	143.40	161.04	149.00	141.68
World Ex. US (1702)	123.56	-13.8	103.38	105.09	106.03	106.04	-8.1	2.64	123.16	103.45	104.66	106.32	105.88	146.91	116.45	138.67
World Ex. UK (1996)	132.34	-10.6	110.72	112.56	113.57	121.41	-7.1	2.52	132.68	111.45	112.77	114.55	121.80	150.59	127.21	140.29
World Ex. So. Af. (2163)	136.58	-9.3	114.27	116.17	117.21	124.37	-5.7	2.77	136.63	114.76	116.13	117.96	124.55	153.05	130.04	142.32
World Ex. Japan (1751)	159.86	-0.6	133.75	135.97	137.19	149.32	+2.1	3.32	159.84	134.27	135.86	138.01	149.54	161.90	153.20	146.63
The World Index (2224)	137.15	-9.3	114.75	116.66	117.70	124.77	-5.7	2.77	137.21	115.26	116.62	118.48	124.95	153.70	130.66	142.70

Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115.037 (US $ Index), 90.791 (Pound Sterling) and 94.94 (Local); Nordic: Dec 30, 1988 = 139.65 (US $ Index), 114.45 (Pound Sterling) and 123.22 (Local).

Constituent change during the week ending 24/4/92: Deletion: Security Pacific (USA).

BASE LENDING RATES

	%		%		%
Adam & Company	10.5	Credit Lyonnais	10.5	McDonnell Douglas Bnk	10.5
Allied Trust Bank	10.5	Cyprus Popular Bk	10.5	Midland Bank	10.5
AIB Bank	10.5	Duncan Lawrie	10.5	Mount Banking	10.5
● Henry Ansbacher	10.5	Equatorial Bank plc	10.5	NatWestminster	10.5
B & C Merchant Bank	10.5	Exeter Bank Limited	11	Northern Bank Ltd	10.5
Bank of Baroda	10.5	Financial & Gen. Bank	11	Nykredit Mortgage Bank	11
Banco Bilbao Vizcaya	10.5	First National Bank Plc	14	Provincial Bank PLC	14
Bank of Cyprus	10.5	● Robert Fleming & Co	10.5	Roxburghe Bank Ltd	11.5
Bank of Ireland	10.5	Robert Fraser & Ptnrs	11	Royal Bk of Scotland	10.5
Bank of India	10.5	Girobank	10.5	● Smith & Williamson Secs	10.5
Bank of Scotland	10.5	● Guinness Mahon	10.5	Standard Chartered	10.5
Banque Belge Ltd	10.5	● Hambros Bank	10.5	TSB	10.5
Barclays Bank	10.5	Hampshire Trust Plc	13.5	Unibank plc	10.5
Benchmark Bank	11	Heritable & Gen Inv Bnk	10.5	● United Bk of Kuwait	10.5
Brit Bk of Mid East	10.5	● Hill Samuel	10.5	Unity Trust Bank Plc	10.5
● Brown Shipley	10.5	C. Hoare & Co	10.5	Western Trust	10.5
CL Bank Nederland	10.5	Hongkong & Shanghai	10.5	Westpac Bank Corp	10.5
Citibank NA	10.5	Julian Hodge Bank	10.5	Whiteaway Laidlaw	10.5
City Merchants Bank	10.5	● Leopold Joseph & Sons	10.5	Yorkshire Bank	10.5
Clydesdale Bank	10.5	Lloyds Bank	10.5		
Co-operative Bank	10.5	Meghraj Bank Ltd	10.5		
Coutts & Co	10.5				

● Members of British Merchant Banking & Securities Houses Association

Money Market Trust Funds

Money Market Bank Accounts

LONDON SHARE SERVICE

AMERICANS

	Notes	Price £	Wk% change	Div gross	Dividends paid	Last xd	City line
Abbott Labs		35[illegible]xd	-6.0	$1.20	FeMyAuNv	6.4	1503
♥Allegheny & W.		286p	2.3	30c	–	–	–
Amdahl		808p	4.0	10c	NvMrJeAu	31.1	–
Amer Cyanamid		34½	-6.8	$1.65	MrJeSeDe	4.3	–
Amer Express		13¼xd	1.7	$1.00	FeMyAuNv	31.3	1594
Amer T & T		24⅝xd	0.8	$1.32	FeMyAuNv	27.3	1597
Ameritech		39	5.5	$3.52	FeMyAuNv	28.3	–
BankAmerica		28[illegible]xd	6.6	$1.30	FeMySeDe	28.2	1744
Bankers NY		33xd	10.2	$1.92	ApJyOcJa	27.12	1745
Bell Atlantic		24⅝	1.5	$2.60	FeMyAuNv	4.7	–
BellSouth		27½	5.6	$2.76	FeMyAuNv	5.4	–
♥Bethlehem Steel		8½xd	—	–	MrJeSeDe	6.2	1621
Bowater		1270pxd	-6.1	$1.20	OcJaApJy	9.3	1884
CPC		48[illegible]xd	-3.6	$2.48	JaApJyOc	30.3	2263
California Engy		671p	-4.8	–	–	–	–
Campbell Soup		19	-4.1	78c	OcJaApJy	24.12	2050
Chase Manhattan		15¼xd	8.0	$1.20	FeMyAuNv	24.4	2109
Chrysler		11xd	4.8	60c	ApJyOcDe	11.3	2136
Citicorp		10⅝xd	12.6	–	–	23.10	2141
Colgate-Palm		28¼xd	-1.4	$1.06	FeMyAuNv	22.4	2184
Cont'l Bank		1014p	-1.0	60c	DeMrJeSe	31.5	–
Dana		24xd	4.9	$1.60	MrJeSeDe	26.2	2306
Data General		507p	-2	–	–	–	–
Dial		20xd	-10.1	$1.12	JaApJyOc	20.3	2778
Dun & Brad		30½	-5.4	$2.28	MrJeSeDe	13.2	–
Eaton		45¼	-2.7	$2.20	FeMyAuNv	2.2	2410
Echlin		10⅝xd	-3.0	70c	JaApJyOc	2.4	3046
FPL		19⅝xd	—	$2.40	MrJeSeDe	25.2	–
Fluor		23⅞xd	1.3	40c	JaApJyOc	19.3	2609
Ford Motor		24⅞xd	7.1	$1.60	MrJeSeDe	28.1	2615
Gen Elect		43⅛xd	-2.8	$2.20	JaApJyOc	4.3	2675
♥General Host		458p	-8.9	34c	–	18.12	–
Gillette		26½xd	-10.2	82c	MrJeSeDe	28.1	2695
Hasbro	h	14½	-4.9	13.3c	JaApJyOc	1.8	–
Honeywell		40⅝xd	-2.4	$1.65	MrJeSeDe	25.2	2919
Houston Inds		24¼	0.5	$2.98	MrJeSeDe	18.11	–
IBM		50⅛xd	-2	$4.84	MrJeSeDe	5.5	2986
Ingersoll-Rand		35xd	-3	$1.32	MrJeSeDe	13.2	2979
Lockheed		26⅛	0.5	$2.00	MrJuSeDe	15.2	–
Lowe's		2218p	-7	56c	JaApJyOc	11.7	–
Merrill Lynch		27xd	-3.6	$1.00	FeMyAuNv	30.4	3351
Morgan (JP)		31⅛xd	2.7	$2.18	JaApJyOc	18.3	3418
Morris (Philip)		43[illegible]xd	-3.5	$2.10	JaApJyOc	11.12	5161
NYNEX		42⅝	0.9	$4.64	FeMyAuNv	27.6	4740
♥Pac Agric		57p	—	–	–	–	–
Pall		15¼	2.5	38c	FeMyAuNv	24.1	–
Pennzoil		25¼xd	-4.5	$3.00	MrJeSeDe	29.2	3630
Quaker Oats		29½xd	-2.5	$1.72	JyOcJaAp	17.3	3738
Rockwell		13⅝xd	3.3	92c	MrJeSeDe	12.2	3847
Rep NY		22[illegible]	1.1	$1.08	JaApJySe	10.3	3814
Sears, Roebuck		25xd	-8.3	$2.00	JaApJyOc	25.2	5191
Sthwestern Bell		35¼	0.4	$2.92	MyAuNvFe	4.7	–
Sun Co		15⅝xd	-3.5	$1.80	MrJeSeDe	5.2	4135
Tenneco		24¼xd	9.4	$1.60	MrJeSeDe	11.2	–
Texaco		33½xd	-2.2	$3.20	MrJeSeDe	30.1	4200
Time Warner		59¼xd	0.4	$1.00	MrJeSeDe	19.2	4234
♥Unitab		440p	—	–	–	–	–
Utd Tech		30¼xd	0.4	$1.80	MrJeSeDe	25.2	4361
♥Utilitech		117p	—	–	–	–	–
♦URS Intl 1c		0¾p	—	–	–	-4364	
US West		20¼	3.2	$2.12	FbMyAuNv	14.4	–
Varity		796p	-7	–	–	1177	–
Waste Manage		23xd	-8	44c	ApJyOcJa	13.3	4439
Whirlpool		2812pxd	-6.7	$1.10	MrJeSeDe	4.3	–
♥Woolworth		16¼	2.0	$1.06	MrJeSeDe	26.1	4540

CANADIANS

	Notes	Price £	Wk% change	Div gross	Dividends paid	Last xd	City line
♥Abbot Energy		3p	—	–	–	–	–
Amer Barrick		1285p	-7.6	8c	Jun Dec	–	–
Bk Montreal		20¾	-5.1	$2.12	FbMyAuNv	2.8	1029
Bk Nova Scot		938p	-6.3	92c	JaApJeOc	30.8	1017
♥BC Gas		802p	-1.5	80c	FeMyAuNv	30.12	–

BANKS

BREWERS & DISTILLERS

BUILDING MATERIALS

BUILDING MATERIALS - Cont.

BUSINESS SERVICES

CHEMICALS

CONGLOMERATES

CONTRACTING & CONSTRUCTION

CONTRACTING & CONSTRUCTION - Cont.

ELECTRICALS

ELECTRICITY

ELECTRONICS

ENGINEERING - AEROSPACE

ENGINEERING - GENERAL

ENGINEERING - GENERAL - Cont.

FOOD MANUFACTURING

FOOD RETAILING

HEALTH & HOUSEHOLD

HOTELS & LEISURE

INSURANCE BROKERS

INSURANCE COMPOSITE

INSURANCE LIFE

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

MERCHANT BANKS

METALS & METAL FORMING

MISCELLANEOUS

INVESTMENT COMPANIES

MEDIA

MOTORS

OIL & GAS

OIL & GAS - Cont.

OTHER FINANCIAL

OTHER INDUSTRIAL MATERIALS

PACKAGING, PAPER & PRINTING

PACKAGING, PAPER & PRINTING - Cont.

PROPERTY

STORES

STORES - Cont.

TELEPHONE NETWORKS

TEXTILES

TRANSPORT

WATER

SOUTH AFRICANS

PLANTATIONS

MINES

MINES - Cont.

	Notes	Price	W'k's ch'nge	Div net	Div cov	Dividend paid	Last xd	City line
Kenmare		3¼	-11.8	–	–	–	–	1453
Meilinga Res		34	6.3	–	–	–	–	–
‡‡Navan Res I£		23½	-6.0	–	–	–	–	1186
Northgate Expl C$	s	34½	1.5	–	–	–	10.77	–
North West Expl A$		3	–	–	–	–	–	–
Oryx Gold $		84	–	–		–	–	3686
‡‡Ovoca Res I£		6	–	–	–	–	–	1479
Plateau		6½	6.3	–	–	–	–	3487
RTZ		600	0.8	18.5	1.7	Dec Jul	23.3	3880
Vizcaya		1¾	–	–	–	–	–	4193
Western & Pac C$		63	31.7	–	–	–	–	–
Young Grp		23	-6.0	2.6	♦	Oct	9'90	6880

GUIDE TO LONDON SHARE SERVICE

Company classifications are based on those used for the FT-Actuaries Indices and FT-Actuaries World Indices.

Closing mid-prices are shown. Prices and net dividends are in pence unless otherwise indicated.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Dividend covers are based on "maximum" distribution, this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsetable ACT. Market Capitalisations are published on Tuesdays-Saturdays except for Investment Trusts and British Funds.

- ■ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ), and non-UK stocks which are quoted on SEAQ International
- ● "Tap Stock"
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ♦ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ✣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ƒƒ Not officially UK listed; dealings permitted under Rule 535(2)
- # Price at time of suspension
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend; cover based on earnings updated by latest interim statement.
- ♠ Unregulated collective investment scheme.

a Annualised dividend. b Figures based on prospectus or other offical estimates. c Cents. f Flat yield. g Assumed dividend. h Assumed dividend after scrip issue. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend excludes a special payment. t Indicated dividend: cover relates to previous dividend. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. z Dividend includes a special payment; Cover does not apply to special payment. E Minimum tender price. F Dividend based on prospectus or other offical estimates for 1990-91. G Assumed dividend after pending scrip and/or rights issue. H Dividend based on prospectus or other official estimates for 1991. K Dividend based on prospectus or other offical estimates for 1992-93. L Estimated annualised dividend, cover based on latest annual earnings. M Dividend based on prospectus or other official estimates for 1991-92. N Dividend based on prospectus or other official estimates for 1992. P Figures based on prospectus or other offical estimates for 1991. Q Gross. R Forecast annualised dividend, cover based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xf ex capital distribution

FT Share Service

The following changes have been made to the FT Share Information Service:
Additions: Control Securities (Section: Property)
Deletions: Hoskyns (Section: Brewers & Distillers)
NMC 7¾pc Pf. (Packaging, Paper & Printing)
Tara Pure Tech. (Canadians)

4:00 pm prices April 24

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1992 High	1992 Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
15 7/8	12 1/4	AAR Corp	0.48	3.4	17	264	14 1/4	13 5/8	14	+1/8
26	20 3/4	A L Labs A	0.16	0.6	108	90	22 7/8	22 1/2	22 7/8	+1/4
68 1/4	56	AMP Inc	1.52	2.5	24	1499	60 1/4	59 1/8	59 3/4	+1/4
80 1/4	64 3/4	AMR			22	5209	68	65 1/4	65 1/2	-2 1/4
2 1/8	1 1/8	ARX			2	26	1 7/8	1 7/8	1 7/8	
53 1/2	41	ASA	2.00	4.8	12	369	41 7/8	41 1/8	41 1/4	-1/4
68 3/4	58 1/4	Abbott Lab	1.20	1.9	23	3570	63 1/4	61 7/8	62 1/4	-1/2
13 7/8	12	Abitibi Pr	0.43	3.5	8	2	12 1/4	12 1/4	12 1/8	
11 5/8	10 1/8	ACM Gvt In	0.96	9.1		265	10 1/2	10 3/8	10 1/2	
10 3/8	9 1/8	ACM GvOpp	0.80	8.6		197	9 3/8	9 1/4	9 1/4	
9 1/2	8 1/2	ACM Gvt Sp	0.80	9.1		213	8 7/8	8 3/4	8 3/4	+1/8
11 1/4	10 1/8	ACM Gvt Se x	0.96	9.4		244	10 3/8	10 1/4	10 1/4	
9 3/8	8 5/8	ACM Man	0.85	10.6		234	9 1/4	9	9	-1/4
12 7/8	10 5/8	ACM Managd	1.08	9.8		96	11	10 7/8	11	
11 1/4	7	Acme Cleve	0.40	4.6	37	56	9	8 1/2	8 5/8	-1/4
6 1/4	4 1/2	Acme Elect			4	17	5 7/8	5 5/8	5 7/8	+1/4
33 1/4	18 7/8	Acuson			12	834	19 7/8	19 1/4	19 7/8	-1/2
19 1/2	18 1/2	Adams Exp	0.48	2.6	0	70	18 5/8	18 1/2	18 5/8	
15 1/2	13	Adobe12Pf	2.40	16.4		65	14 5/8	14 1/4	14 5/8	+1/2
5 1/4	4 1/2	Adobe Res			2	208	5	4 3/4	5	+3/8
49 1/8	39	Ad Micro	3.00	7.6		32	39 3/4	39 1/4	39 1/2	
21 1/2	14 7/8	Ad Micro P	3.00	19.6		67011	15 3/8	d14 5/8	15 1/4	+1/8
9 1/4	5	Advest Grp	0.16	2.5	64	52	6 1/2	6 1/2	6 1/2	
71 3/4	67 1/4	Aegon ADR	1.50	2.2	6	7	69 1/8	68 3/4	68 3/4	
47	39	Aetna Lf x	2.76	6.5		82801	44	42 1/2	42 1/2	-1 3/8
12	8 3/4	Affil A	0.24	2.2	11	419	10 3/4	10 1/2	10 5/8	-1/8
32 7/8	24	Aflac	0.40	1.5	14	762	26 1/4	26 1/4	25 7/8	-1/4
19 1/8	15 1/8	Ahmanson	0.88	6.2		72086	17 1/4	16 7/8	16 7/8	-3/8
22 1/2	12 1/2	Aileen Inc			11	150	13 1/4	13	13 1/4	+1/8
49 1/2	38 1/2	Air Pr Chm	0.80	1.7	20	1665	47	45 7/8	46 3/8	-1/2
29 3/4	21 1/2	Airbne Frt	0.30	1.3	16	212	23	22 5/8	22 5/8	-1/4
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on next page

NYSE COMPOSITE PRICES

Continued from previous page

[illegible]

Price data supplied by Telekurs.

Yearly highs and lows reflect the period from Jan 1, excluding the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration. Sales figures are unofficial.

a-dividend also xtra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

4:00 pm prices April 24

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
Oilsten	0.24	34	103	32½	32¼	32¼	-⅛
OMI Corp	0.14	7	76	6¾	6½	6⅝	
Pall Corp x	0.36	29	1254	27⅞	27	27⅞	+¼
Pegasus G	0.10	31	153	11¾	d11½	11⅝	-⅛
Perini		51	116	13⅞	12½	13⅞	+1⅝
Pet H&P	0.31	9	13	11½	11½	11½	
Phil LD	0.25	14	657	35⅝	34¼	35⅛	+¾
Pittway A	0.70	18	114	31¼	30⅞	31	+¼
Ply Gem	0.12	33	119	13¼	12⅞	13	
PMC	0.84	17	2	10⅞	10⅞	10⅞	
PresidioA	0.10	0	61	2¼	d2⅛	2¼	
Pres Com		0	9	⅝	⅝	⅝	
RB&W Cp		2	10	4	4	4	
RiedelEnv		2	16	3⅛	2⅞	2⅞	-⅛
SJW Corp	1.98	10	2	32	32	32	
SifcoUnion		36	20	14⅝	14½	14⅝	
Sterl El		14	46	4¼	4⅛	4¼	+⅛
TII Ind		1	20	1¼	1¼	1¼	-⅛
Tab Prods	0.40	113	z100	10¾	10¾	10¾	
TeleData	0.32	59	407	35¼	34½	35	+½
Thermedics		97	81	8⅞	d8¾	8¾	-⅛
Thermoplas		24	198	22½	22¼	22½	+⅛
Total Pet	0.40	25	437	8⅜	8¼	8⅜	
TownCntry		0	15	2⅛	d2	2⅛	+⅛
Tubos Mex		0	1221	6⅛	6	6	
UtdFoodsA		4	6	1⅝	1⅝	1⅝	
UtdFoodsB		99	5	1⅞	1⅞	2	+⅛
UnivPatnts		80	77	12¼	11½	12⅛	+½
US Cellul		36	3	23	23	23	+⅛

[illegible]

NASDAQ NATIONAL MARKET

4:00 pm prices April 24

[illegible]

- X - Y - Z -

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Xilinx		28	1230	25¼	24½	25¼	+¼
Xoma Corp		7	4460	14¼	13	13⅝	-⅛
Yellow Fr	0.94	33	5327	32	28½	32	+3⅛
York Rsch		42	1062	5⅛	4⅞	5⅛	
ZionsUtah	1.44	10	100	52¼	51	51	

MONDAY INTERVIEW

Avuncular provider of advice

Lewis Preston, president of the World Bank, talks to **Michael Prowse** and **Peter Norman**

Six months after taking over as president of the World Bank, the world's premier development institution, Mr Lewis Preston is dipping his toes in media waters. His handlers have finally persuaded him to start giving press interviews. They have not all gone well. A frosty piece in the New York Times described him as spending the interview "slouched in the corner of a carved-wood sofa" and being more interested in his pictures of wild birds than in economic development.

Today, the blue-blooded former Wall Street banker is sitting up straight and radiating charm. Peering over half-moon spectacles, a mug of coffee in one hand, he seems avuncular rather than gruff or intimidating. Indeed, one could almost believe this is not the World Bank president but an amiable retired banker who has wandered into the Washington office of an old friend.

During a decade at the top of J P Morgan, one of the few big US banks to emerge relatively unscathed from the debt-ridden 1980s, Mr Preston studiously avoided publicity. Regularly consulted by the world's top central bankers, he preferred to wield influence from behind the scenes. It is clear he would like things to stay that way.

"The bully pulpit doesn't interest me a bit," he declares. For Mr Preston, who devoted 40 years of his life to J P Morgan, it is institutions, not individuals, that matter. Already intensely loyal to his new home, he says the test of his performance will be "what people think of the bank, not what they think of me".

But does the World Bank president, given his potential influence on development issues, not have a special duty to speak out? He rejects the argument. It is vital, he believes, for the bank to establish intellectual leadership, but it does not matter if issues are articulated by him or by other bank officials. What counts is how well the institution performs.

So far, he says, he has found little wrong with the bank's policies. But "hate mail" from development lobbyists suggests the execution of policies falls short of excellence. He hopes that tough management skills honed at J P Morgan and an "ability to delegate" will enable him to make improvements.

Bank officials have found the first few months of the Preston presidency bracing. He started by axing an entire tier of senior management, releasing around 240 staff for more productive roles. He has since turned his attention to the bank's opaque internal budget. This is so confusing, he says, that it is impossible to identify whether resources are misused. He is certain, however, that there is "a lot of fat here".

The one policy that he has gone out of his way to endorse is poverty alleviation. He says he is not making a rhetorical flourish when he describes it as the bank's "overarching objective".

But should this be the main goal? After all, at an early stage of development, poverty was the last thing to concern successful capitalist economies such as the US. Should the bank not aim mainly at stimulating growth?

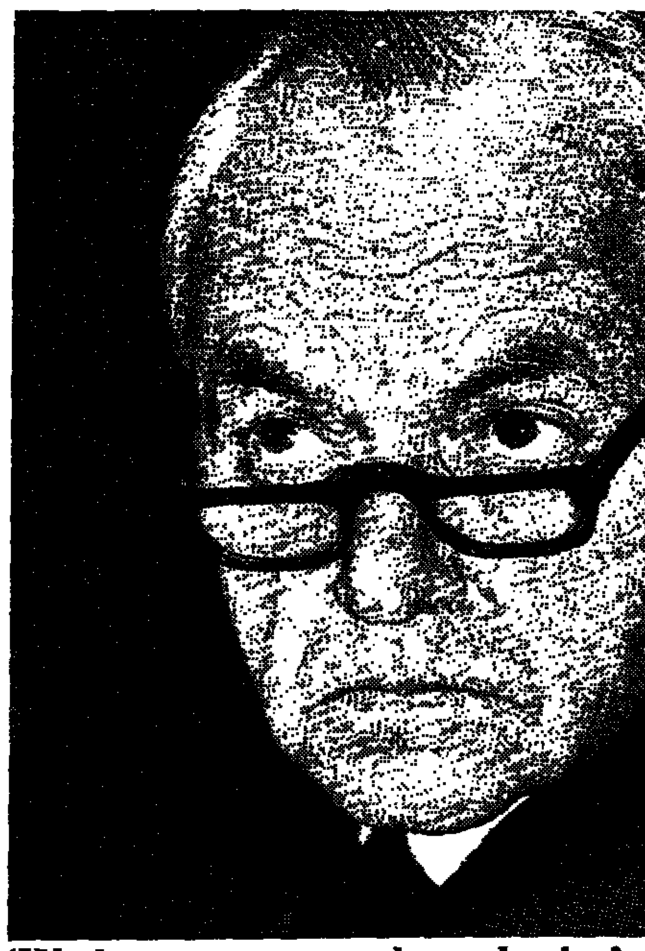
Mr Preston is clearly uneasy at the ideological overtones of the question. "I don't think the trickle-down theory is very satisfactory... You have to have a social safety net in place for the most disadvantaged people." Without such policies, you are wasting money: "Adjustment programmes won't work." He hints that one of Mr Boris Yeltsin's initial problems was his failure to understand that Russia does not have an adequate safety net.

Has the bank not been left behind in the former Soviet Union, where the International Monetary Fund has established itself as the principal outside adviser? No, says Mr Preston. The fund's lead role in the early stages reflects its macroeconomic responsibilities. "We've been working awfully closely."

The bank is cranking up to lend heavily. From the middle of 1994, it will be lending \$4bn-\$5bn a year to the former Soviet republics. Eastern Europe will be receiving a further \$3bn. All told, the former communist countries will get a quarter or more of all bank loans, significantly changing the character of the institution.

Mr Preston concedes that the shift of resources – some of the bank's best personnel as well as cash – is making its traditional Third World clients nervous. But he says the timing of the collapse of communism was fortunate. The bank was underlent and now has considerable headroom for extra lending. Smiling broadly, he adds that the bank has anything but a shortage of economists.

He does worry, however, that



'We have no monopoly on brains'

global competition for capital could adversely affect the poorest countries. The bank is trying to drum up support for the 10th replenishment of the International Development Association, its soft loan affiliate. If IDA 10 is to be as generous in real terms as the bank's previous effort, it will have to raise about \$18bn. But Mr Preston believes significantly more money is needed, both to reflect the growing number of potential recipients (which now include Vietnam and Cambodia) and the expanding cost of measures to protect the environment.

PERSONAL FILE

- **1926** Born New York City. Served in Marine Corps before graduating from Harvard College.
- **1951** Joined J P Morgan, the New York bank. Served clients in south western US and later in the commodities industry.
- **1966** Head of J P Morgan's London office. Developed Eurocurrency business, becoming executive vice-president, international banking, in 1968.
- **1976** Vice-chairman and director, J P Morgan.
- **1980-90** Chairman and chief executive, J P Morgan.
- **September 1991** President, World Bank.

One lesson the bank has taught him is that there is no conflict between economic development and the environment. "It is absolutely clear that they are not in tension," he says. A recent trip to southern Africa helped convince him that the poor tend to suffer most from environmental degradation.

But surely there must be a conflict at some level? Suppose everybody in China drove a car. What would happen to carbon emissions or global warming?

Mr Preston hesitates. He knows his briefing papers must contain the answer. But he does not remember it. Perhaps his experience in southern Africa was too limited, he muses.

What about the future of the bank? With more than 5,000 mostly Washington-based staff, is it not too big and remote? Could not some of its functions be undertaken by the private sector? After all, two of the bank's most senior officials have recently left to start up a private venture for channelling risk capital to developing economies.

Mr Preston's thinking on such issues is at an early stage. "We have no monopoly on brains," he concedes, "although we sometimes seem to have a monopoly on insensitivity." He hints that there is nothing sacrosanct about present arrangements: "If anybody can deliver a service better than us, we ought to be using them." He also appears sympathetic to arguments for greater decentralisation. "My instincts are that we should have more people in the field."

He says the big change already well under way is the bank's metamorphosis from a lending institution to a provider of advice. He is not embarrassed that the bank's net transfers to many clients are declining as old loans are repaid. This is happening "all over Latin America" and is a sign of the success of past programmes. He says people are wrong to think loans are the only lever for influencing policy. At J P Morgan, he recalls, old clients did not reject his advice just because they no longer needed his loans.

Looking ahead, he seems unruffled by the many problems confronting policymakers. The industrial economies are in a shaky condition. The former Soviet Union is in turmoil. Millions are starving in the Third World. Yet Mr Preston's elegant, two-storey penthouse office is a haven of tranquillity.

The man seems as reassuring as his old furniture. You feel he will work patiently for practical solutions to complex problems, untroubled by strong ideological convictions.

The bank has fallen into a safe pair of hands. Mr Preston does not pretend to be a development expert, an intellectual or an economist. But he appears to have other, rarer virtues: steady nerves, sound judgment, and enough confidence cheerfully to admit that he does not know all the answers.

The one danger is that his four private decades at J P Morgan have left him not fully prepared for his role at the helm of a very public institution. Given the scale of today's problems, the bank needs more than a capable manager working on budgets behind the scenes. It needs somebody capable of articulating a vision for development, of providing global leadership on issues as controversial as the environment and the transition from communism. Mr Preston has yet to rise to such challenges.

Work, learn and don't procreate

MICHAEL PROWSE
on America

How should a wealthy society treat those who cannot (or will not) help themselves? In the US, patience with passive welfare policies seems suddenly to have snapped. State legislatures of all political hues are experimenting with policies designed to change behaviour. Sensing an issue with political mileage, President Bush has just approved radical welfare experiments in Wisconsin.

Mr Tommy Thompson, the Republican governor of Wisconsin, is pioneering a policy known as "wed fare" or "bridefare". This aims to encourage teenage mothers to marry by allowing them to keep benefits even if their husbands have a modest independent income. At the same time, Wisconsin plans to penalise welfare mothers who have additional children. At present, teenage mothers get \$440 a month, rising to \$517 for two children and \$617 for three. In future, the payment for a second child will be reduced to \$479 with no further increment for larger families. Under a scheme known as "learnfare", the state has already cut the welfare cheques of teenage mothers who fail to attend high school.

In New Jersey, liberal Democrats are taking the lead. Mr Wayne Bryant, a black representative from a poor district, dismisses conventional welfare as a modern form of "slavery". He says wage earners do not get a pay rise just because they have another child, so why should welfare mothers? Mr Jim Florio, the state's liberal governor, aims to "wean people off welfare" by forcing them to become responsible for their actions. He wants to cut welfare payments for extra children and implement a form of bridefare. California is leading a pack of other states considering similar reforms.

The reformers – dubbed "new paternalists" by their critics – say their aim is not to save money. Policies aimed at changing behaviour will require additional resources: clients have to be monitored more closely while schemes such as learnfare involve higher education spending.

However, with state budgets under intense pressure because of the prolonged economic slowdown, the reforms are being introduced in a climate of austerity. Economies are often the main priority: 14 states have cut benefits for able-bodied adults, including Michigan, which has abolished all such assistance. In California, the most controversial reform is a planned, across-the-board cut of up to 25 per cent in family benefit rates.

The drive to modify personal behaviour – to make the poor adopt middle-class attitudes – is a natural progression from the last big welfare reform, the Family Support Act of 1988. This aimed to encourage self-sufficiency by requiring states to enrol a gradually increasing proportion of welfare recipients in work or training programmes. Critics are already dismissing it as too timid: exemptions mean that its "workfare" provisions may eventually apply to only a small fraction of welfare rolls.

Is the new paternalism desirable? Libertarians will argue that unconditional payments – a basic income or negative income tax – are preferable to social engineering. Yet given the failure of passive policies, a determined attempt to influence behaviour seems worth trying. For many families, the difference between poverty and prosperity will be determined by attitudes to work, study, marriage and lifestyle. The proof lies in the success of many immigrants who arrive with few skills or resources.

But the morality of punishing parents by cutting their children's benefits is questionable. It is also naive to expect quite small financial incentives to make a huge difference. Welfare is needed precisely because a fraction of the population will not or cannot respond readily to economic signals. In the past two decades, the real value of US welfare benefits has fallen by an average of 27 per cent, without curbing welfare rolls. There is also little correlation between state benefit rates – which vary enormously – and welfare populations.

This is because welfare dependence partly reflects structural economic change. The sharp decline in the relative pay of unskilled workers has created a trap: after allowing for childcare, transport and other costs of work, many single heads of household cannot earn enough to replace even the shrunken benefits now offered. In many cases, the only viable alternatives are welfare or two wage packets – and I doubt if bridefare will miraculously alter attitudes to marriage.

The trouble with policies to mould behaviour is that they rely too heavily on sticks and not enough on carrots. Neither federal nor state government yet seems prepared to fund even the modest job training provisions that form the core of the 1988 law. Senator Daniel Patrick Moynihan, the New York Democrat who fathered the bill, reckons that federal funding needs to be at least quadrupled from today's miserly \$1bn a year.

Pending fundamental changes in attitudes to family formation, the surest way to reduce welfare dependency is to boost the earning power of single parents. That means much greater investment in training and perhaps experimentation with public sector programmes that guarantee jobs for long-term welfare recipients. The new paternalists are right to attack the culture of dependency. But they do not deserve to be taken seriously unless they back reforms with more hard cash.

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales

1/2 hour period ending	Provisional Price for Trading on 28.04.92 Pool purchase price £/MWh	Final Prices for Trading on 26.04.92 Pool purchase price £/MWh	Pool selling price £/MWh
0030	16.87	16.94	16.94
0100	16.86	23.38	25.51
0130	16.91	23.38	25.50
0200	26.46	-- --	-- --
0230	26.46	-- --	-- --
0300	26.45	23.38	25.47
0330	17.76	17.17	19.05
0400	16.91	17.17	19.05
0430	16.87	17.17	19.06
0500	16.86	16.73	16.73
0530	16.79	16.69	16.69
0600	16.79	16.66	16.66
0630	16.79	16.66	16.66
0700	16.79	16.66	16.66
0730	16.79	16.66	16.66
0800	16.80	16.66	16.66
0830	16.82	16.56	16.66
0900	17.95	16.65	16.65
0930	17.95	16.67	16.67
1000	17.95	17.36	19.27
1030	17.95	17.35	19.25
1100	17.95	17.35	19.25
1130	21.02	17.35	19.23
1200	22.60	17.35	19.23
1230	22.60	17.35	19.23
1300	22.60	17.35	19.23
1330	22.60	17.35	19.23
1400	18.65	17.35	19.25
1430	18.85	17.35	19.26
1500	16.86	17.35	19.26
1530	[illegible]	[illegible]	[illegible]
1600	[illegible]	[illegible]	[illegible]
1630	[illegible]	[illegible]	[illegible]
1700	[illegible]	[illegible]	[illegible]
1730	[illegible]	[illegible]	[illegible]
1800	[illegible]	[illegible]	[illegible]
1830	[illegible]	[illegible]	[illegible]
1900	[illegible]	[illegible]	[illegible]
1930	[illegible]	[illegible]	[illegible]
2000	[illegible]	[illegible]	[illegible]
2030	[illegible]	[illegible]	[illegible]
2100	[illegible]	[illegible]	[illegible]
2130	[illegible]	[illegible]	[illegible]
2200	[illegible]	[illegible]	[illegible]
2230	[illegible]	[illegible]	[illegible]
2300	[illegible]	[illegible]	[illegible]
2330	[illegible]	[illegible]	[illegible]
2400	[illegible]	[illegible]	[illegible]

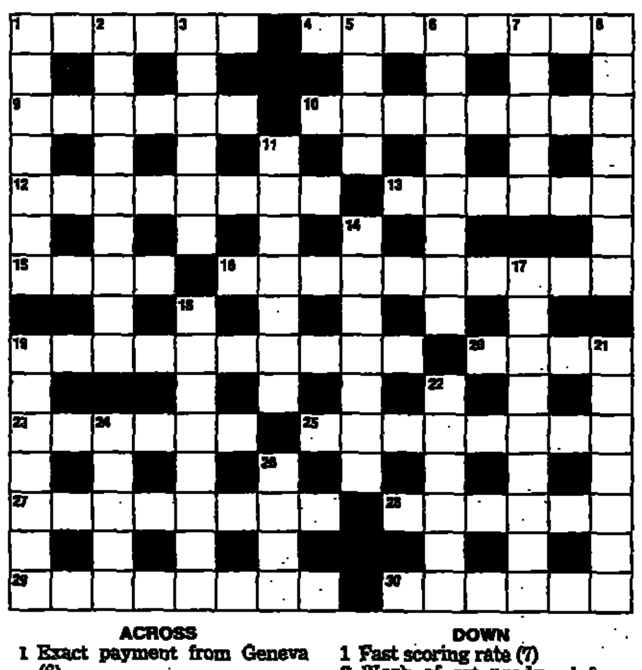
Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales

1/2 hour period ending	Provisional Price for Trading on 27.04.92 Pool purchase price £/MWh	Final Prices for Trading on 30.03.92 Pool purchase price £/MWh	Pool selling price £/MWh
0030	16.79	16.64	16.64
0100	16.79	16.64	16.64
0130	16.87	16.78	16.78
0200	18.55	17.25	18.18
0230	18.55	17.27	18.19
0300	18.55	17.27	18.18
0330	16.87	17.27	18.18
0400	16.87	17.25	18.16
0430	16.86	17.03	17.97
0500	16.86	16.75	16.75
0530	16.80	16.75	16.75
0600	16.82	16.72	16.72
0630	16.85	16.81	16.81
0700	16.90	16.87	16.87
0730	19.40	17.81	18.76
0800	25.01	21.75	22.85
0830	25.02	24.54	25.72
0900	25.03	24.60	25.79
0930	21.09	24.55	25.73
1000	25.06	24.53	25.71
1030	25.07	24.50	25.65
1100	21.96	23.45	24.56
1130	21.98	23.44	24.54
1200	21.98	23.43	24.53
1230	23.13	22.98	24.07
1300	23.09	22.97	24.04
1330	19.41	21.60	22.61
1400	19.08	22.94	23.98
1430	19.08	22.94	23.98
1500	19.08	21.20	22.21
1530	[illegible]	[illegible]	[illegible]
1600	[illegible]	[illegible]	[illegible]
1630	[illegible]	[illegible]	[illegible]
1700	[illegible]	[illegible]	[illegible]
1730	[illegible]	[illegible]	[illegible]
1800	[illegible]	[illegible]	[illegible]
1830	[illegible]	[illegible]	[illegible]
1900	[illegible]	[illegible]	[illegible]
1930	[illegible]	[illegible]	[illegible]
2000	[illegible]	[illegible]	[illegible]
2030	[illegible]	[illegible]	[illegible]
2100	[illegible]	[illegible]	[illegible]
2130	[illegible]	[illegible]	[illegible]
2200	[illegible]	[illegible]	[illegible]
2230	[illegible]	[illegible]	[illegible]
2300	[illegible]	[illegible]	[illegible]
2330	[illegible]	[illegible]	[illegible]
2400	[illegible]	[illegible]	[illegible]

NGC Settlements Limited

CROSSWORD

No.7,833 Set by DANTE



ACROSS

1 Exact payment from Geneva (6)
4 A wing consisting of ten parts (8)
9 Settles for cat food (6)
10 Clearly write a note according to fact (8)
12 Soldier held to be healthy after service, but the writing is on the wall (8)
13 Carbohydrate consumed makes clothes hard to wear (6)
15 Short piece of late news (4)
16 Groundless rumour that there's unemployment? (4,6)
19 Signed in and made an impression (10)
20 Flag of many colours (4)
23 It's a possibility concerning literary composition (6)
25 Charming Arab about to swindle the French? (8)
27 Wireless user gets a new set in a ship (8)
28 Make successful use of the clues (6)
29 Slack water at dusk (8)
30 Not a drop-out, of course (6)

DOWN

1 Fast scoring rate (7)
2 Work of art produced from scratch? (9)
3 Start to impress the opposite sex (3,3)
5 Unusual combination of destructive and constructive forces (4)
6 Antigone's form of denial (8)
7 Stop being an outsider (5)
8 It caters for those looking for childish amusement (7)
11 It's used in composing some music (7)
14 Tales of feet? (7)
17 Games pitch out in the garden (9)
18 Needy and greedy take a new turn, I see (8)
19 Determine to find another answer (7)
21 Lets her move out into lodgings, perhaps (7)
22 Stop in the name of the law (6)
24 Try and eat a little (5)
26 Go ahead with the roof covering (4)

The solution to last Saturday's prize puzzle will be published with names of winners on Saturday May 9.

Something to offer

IAN DAVIDSON
on Europe

After a short burst of noises off, the French parliamentary establishment looks ready to ratify the Maastricht Treaty on European Union without a serious fight. For a moment the right-wing RPR Gaullists seemed set to throw themselves into a wild nationalist war-dance, calling on their ancient gods to confound President François Mitterrand's federalist schemes; but common sense has now been restored.

At first Mr Jacques Chirac, leader of the Gaullists, had only seen the Maastricht treaty as an archetypal weapon for attacking President Mitterrand; curiously, he seems to have overlooked the fact that a successful attack would be fatal for his own political ambitions. The defeat of the Maastricht treaty would be a serious blow to Mr Mitterrand; but it would also put paid to any prospect that he, Jacques Chirac, could be elected president of the republic.

As a result, there is a tacit compromise, which will allow the treaty to go through. But it has also cleared the ground for a much more important debate, on the substantive purpose of the Maastricht treaty. President Mitterrand is selling it as the guarantor of peace and stability in western Europe; but the Socialists are now selling it as the engine of economic growth.

The idea sounds banal: the Community has always been sold as the engine of economic growth. The difference is that the French Socialists are now saying that the member governments must together take active new steps to *make* the Community into an engine of economic growth.

Ten days ago, Mr Pierre Bérégovoy, prime minister, told the Senate that the economic policies of the 12 "are not sufficiently co-ordinated". He said he had written to the presidents of the Commission and the Council, asking them to take "initiatives" to ensure that Europe become "an accelerator of growth".

The new line was reinforced last Thursday by Mr Michel Rocard, former prime minister and virtual candidate for the Socialist party in the next presidential elections. In Le Monde, he urged support for the Maastricht treaty, very largely because he believed the Community had the means to become a zone of high growth.

"Most of the dramas and difficulties of the world come from the general slowdown of economic growth," he said. "We shall not beat unemployment except through significantly stronger growth. And significantly stronger growth implies the intervention of a single and coherent public authority over a large territory.

"I believe today that a true intellectual revolution is necessary to recover the use of those rules which brought us continuously strong growth [in the past], and which suppose the careful use of monetary, budgetary, customs, regulatory and above all fiscal instruments."

The new line is obviously political. The Socialists were hammered in the recent regional elections, and they desperately need a message of hope to counter the prospect of defeat in next year's legislative elections. Unemployment is the main problem; but since the commitment to European monetary union prevents an independent French economic policy, Europe must have an economic policy instead.

The problem is that the Socialists' new line is in manifest conflict with the thrust of the Maastricht treaty which they have just negotiated. Every aspect of the programme for economic and monetary union (Emu) is deflationary, from the high interest rates being imposed by the Bundesbank to the compulsory cuts in national budget deficits; yet the Socialists are effectively calling for collective economic reflation.

This is, in fact, the deal they thought they had bought: a hard monetary policy run by the Bundesbank, but in the context of a European economic policy run by the 12 governments. Unfortunately, the monetary and budgetary deflation is already in place; but the European economic policy does not start until 1999. If then.

Economists may say a European reflation is impossible; but after their previous disasters, we need not be mesmerised by their latest certainties. Remember that this is the tribe that sold us Bretton Woods, floating rates, and fixed rates; Keynesianism, monetarism, and structural adjustment; each time with the same supercilious self-sufficiency.

Some say there is no remedy apart from liberating labour and other markets; but if this means a deliberate policy of greater insecurity and poverty for the working class, forget it. The world has seen the results of 10 years of Thatcherism, and it seems to have few takers among the conservative parties on the Continent, none among the Socialists.

Only one thing is really impossible: that mainstream political parties should admit to permanent impotence in the central business of government, which is economic policy. Voters in the French regional elections fled both the Socialists and the conservatives, because neither side offered any solution to unemployment. If Emu means anything, it must mean a recovery through pooled influence over economic policy. Credible political leaders must have something to offer.